

Housing

mately \$1 million. Of course we do not call that speculation, Madam Speaker! I am not sure what we do call it.

The biggest single threat to the acquisition of land in Ontario is the actions of the provincial government in this regard. As I said, we do not object to the acquisition of land but rather to the way in which the provincial government goes about it. It could possibly be the biggest land speculator going, and perhaps that is why it refuses to define the word "speculation" in the land speculation bill. I will give another example. Cedar Heights purchased one parcel of land for \$379,095 and sold it to the provincial government for \$579,095. That is a profit of \$200,000. Are we talking about conscience, speculation, or what?

● (1550)

Then we come to the municipal level. In my riding there are people who are exceptionally handy. They can do wonders in the renovation and repair of houses. I believe that because of the high price of serviced lots we at the federal level should give some tax incentive for this kind of thing. Not only would it help people improve their present housing, especially the elderly, if they could afford to improve their housing, it would in many cases avoid their being shunted into senior citizens homes where they do not want to go anyway.

I hope the Minister of Finance (Mr. Turner) will consider that in his coming budget. Not only would it help housing but it would also help housing related industries. However, I find that in my own borough of York money from the home renewal program which was given to the borough about five months ago has not yet been used. Why not? It could be that I come from a borough where officials are almost paranoiac about two families living in one building, but in my riding it is the culture of the people to want to live together. I am not talking about overcrowding; I am talking about adding one extra room to a house so that another part of a family could fit in. Instead, we have something similar to paranoia.

We have officials who, not unlike McCarthy looking for communists, are looking for an extra kitchen, an extra bathroom or an extra bedroom. I agree with my leader. I think the state and the borough should keep out of the bedrooms of citizens. However, because of that, people in my riding are being refused money on the grounds that instead of asking for loans to repair their dwellings, they want to install extra bathrooms and build additions.

What is wrong with an extra bathroom or building an addition which could house another part of the family? My borough will not allow that.

I have listened to many speakers from the opposition today. Frankly, I welcome criticism when it is constructive, but having listened to some of the comments today, I must admit that many of the speakers sound a little bit like sour music critics who are themselves really only frustrated tenors.

Some hon. Members: Hear, hear!

Mr. Cyril Symes (Sault Ste. Marie): Madam Speaker, this is indeed an important debate because we are dealing with the problem of housing in Canada, which is a crisis. It is a crisis which can be laid directly on the doorstep of

[Mrs. Appolloni.]

the Liberal government. We have housing programs built on crumbling foundations, and supervised by a minister whose blueprint for aiding low and middle income Canadians is totally inadequate.

I would like very briefly to outline the nature of this crisis and to make some constructive proposals to combat this growing problem. The first thing we must recognize—and I think the government has not taken it seriously—is the escalation of housing costs. I will give but a few examples. In Toronto in 1972 the average house cost \$31,357. In 1974 that same house sold for \$46,210, or a 50 per cent increase in two years. That kind of escalation cannot be tolerated by a government if it is serious about the housing needs of Canadians. Yet we see the price of houses today continuing to rise. In 1975 the average price of a house in the province of Ontario is \$48,836, a price beyond the capability of most Ontarians to afford. So the first aspect of the housing crisis is that costs are just out of all proportion.

The second aspect of the housing crisis is the escalation in mortgage rates. It was not so long ago that mortgage rates in this country were fixed at 6 per cent. Then the government removed the upper limit and allowed the mortgage rate to float. It soon rose to 8 per cent, 9 per cent and 10 per cent. Today under the National Housing Act there is a rate of 11¼ per cent, and on the conventional market, from banks and other financial institutions, a rate of 11½ per cent.

Constituents in my riding of Sault Ste. Marie have come to me complaining that they cannot obtain conventional mortgage rates, and that they are so desperate for accommodation that they have been forced to go to other institutions, such as loan companies, and are paying mortgage rates as high as 15 per cent. In our society that is totally criminal. We now find also that the mortgage money supply is becoming tighter and tighter. It is being restricted by the private lending institutions to new houses. For existing houses, which most average income Canadians can afford, mortgage money is practically non-existent. So the second aspect of this problem of housing is the mortgage rate escalation.

The third aspect of this crisis is the rising cost of materials and land. Lumber costs rose last year by 45 per cent, electrical supplies by some 30 per cent, and I could go on down the list and tell how costs have increased dramatically. Land costs are now outrageous. In my constituency serviced lots selling for \$4,000 or \$6,000 only a few years ago now cost an average of \$10,000. In the city of Toronto the cost is as high as \$20,000. Labour costs have gone up as well, but certainly not in proportion to building costs or land costs. It is interesting to remind ourselves that construction workers in the housing industry receive only two thirds of the average wage of construction workers as a whole, especially those building commercial buildings.

The fourth aspect of the crisis today is the decline in housing starts. To the end of March of this year the projected annual rate of new housing starts in Canada is only 144,400. That is the lowest level since 1970. The minister has set a target of 210,000 units for this year. There is no way he will be able to achieve that goal under existing policies. Indeed I have heard from officials in