

Housing

government's scale of national priorities. The tragedy is that in many respects it is already too late to achieve the maximum potential impact for 1975. We are already too far into the building season to get as many new units up and completed as would have been the case if the government had responded weeks and even months ago as we on this side of the House urged them to do.

Today we learned that the budget has been delayed until June 23. In view of this delay, and in view of the fact that the peak of the construction season will be over by the end of June, I ask the minister if he is prepared to bring in immediately the contingency housing plan that was referred to earlier this month so that there will not be a further delay in the construction of much needed housing. But with this government, Mr. Speaker, one is forced to accept the fact that the best one can hope to achieve, really, is too little and too late. So I urge the minister to at least give the Canadian people that much, to at least take action now so that, in the words of our motion, the people of Canada again can have access—as they deserve to have access—to decent housing at prices they can afford.

Some hon. Members: Hear, hear!

Mr. Stanfield: Houses before swimming pools; that's what I say.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the hon. member for Kingston and the Islands (Miss MacDonald) began her speech by saying that we are facing a housing crisis. I think she is right. However, it is a sign of how deeply the public, and particularly the media, feel about this problem that in the press gallery at the moment there is only one journalist.

At the beginning of this year the minister announced that it was the government's intention to build in the neighbourhood of 210,000 housing units in 1975. At the end of March, no doubt to the consternation and disappointment of the minister, we were building houses at the annual rate of 144,000 units. There was some improvement in April, but we were only building at the rate of 180,000 new homes a year, which is a far cry from the 210,000 units the minister predicted would be built, and much lower than the number of houses we need. The hon. member for Kingston and the Islands wants to see 250,000 new homes built. I think that figure is too low.

● (1230)

The minister prides himself on his proposals to encourage starts for rental housing. He is providing \$200 million in subsidies. They can produce 10,000 units at the outside, a mere drop in the bucket. The response of developers, to say the least, has been unenthusiastic because grants are too low to support rental projects even with the federal subsidy. Many people are predicting 180,000 housing starts for this year, compared with 220,000 in 1974 and 268,000 in 1973.

The interest rate on NHA mortgages now is 11.25 per cent. The rate on conventional mortgages is somewhat higher, 11.5 per cent. Mr. Peter Carter, of the Royal Bank said at the end of April that interest rates were probably at their low point. Heavy demand for corporate and government financing both in Canada and in the United

States will keep interest rates high. Not only are interest rates high; the supply of mortgage funds is tight. A recent survey by the Mortgage Insurance Company of Canada found the supply of money for NHA and conventional mortgages limited. Lenders are restricting loans to prime real estate and scrutinizing applicants carefully to make sure they can afford the high monthly payments.

I do not have time to discuss how large one's income should be if one is to qualify for a mortgage. The minister has done nothing to bring down interest rates. Actually, his AHOP program helps to keep rates up by subsidizing the monthly payments of borrowers. His new, private AHOP program stipulates that a family shall obtain a mortgage from a conventional lender. The mortgage will then be subsidized, but the catch is obtaining mortgage funds when they are in short supply.

The minister has misconceived what is happening in the housing field and what is needed. He has placed unwarranted faith in the housing industry, being under the illusion it can meet the housing needs of the people of Canada. The result is that we are not building enough houses for people who need them. Another result has been the rapid increase in house prices. The average price of a house sold through multiple listing increased by only 9.2 per cent in the first quarter of 1975. High interest rates and shortage of mortgages have had a dampening effect on house prices. Even so, the cost of the average house is still more than the average Canadian family can afford.

A comparison of house prices in the first quarter of 1975 compared with prices in the same period of 1974 is shocking. In Ontario, the average price of a house in 1974 was \$46,000—odd. One year later the price had jumped to over \$48,800. In British Columbia, the average house cost \$37,600 in 1974, and \$49,632 in the first quarter of 1975. In Alberta, the average price jumped from \$35,013 in 1974 to \$42,972 in 1975. In Manitoba, the average price jumped from \$24,369 in 1974 to \$31,097 in 1975. In Quebec, house prices jumped from \$30,381 in 1974 to \$32,095 in 1975. You can see what has happened while the minister has been fiddling with his plans. Not one of them amounts to more than a patch on the hull of a sinking ship.

The total emphasis of this minister—indeed, of all ministers who have been responsible for housing in the last 20 years—has been to increase the number of housing starts. But no one has asked about the quality of the housing we are building. So far as I know, neither the minister, the department nor Central Mortgage and Housing have investigated the quality of the housing we are building. For example, do we know how many young people, newly married couples, and poor people are getting houses, or how many rich people are buying houses? If the minister, the department or Central Mortgage and Housing have done such studies, I can only say they must be kept in a very deep freeze.

British Columbia has implemented rent controls, and Ontario is talking about them. Here we are, having built houses at record rates for 20 years, and we have to talk about rent controls. Why? I suggest the reason is that we have not built for people in the lower and middle income groups, for those who really need houses, but for those who are already well housed and want to improve their housing. We have encouraged the well-to-do to improve

[Miss MacDonald (Kingston and the Islands).]