

Housing

was a vacant apartment in that building, you bribed him to let you have a look at the apartment; and if you wanted to rent the apartment you had to give him a bribe for every month you were renting. That is key money.

Many people will be faced with the prospect—predicted by the minister in his document to his cabinet colleagues—of not being able to find rental accommodation and consequently having to double up with their parents and with their friends. What a desperate situation! What a desperate situation we are in in this country today!

This bill, Mr. Speaker, does not come anywhere close to addressing the need. The 15,000 units that will be scattered across the country which will qualify for the interest-free loan of \$7,500 would barely satisfy the demand in metropolitan Vancouver. We are told that it would barely satisfy the demand in the city of Calgary. We have the elimination of the MURB program, and what do we get in its place? We get 15,000 units that will be the subject of the \$7,500 interest-free loans.

The situation is desperate, Mr. Speaker, and it is getting worse. In 1979, apartment starts were only 58,000; in 1980, apartment starts dropped another 10,000 units, for a total of 48,000; last year, in 1981, apartment starts were approximately 52,000 units. Since 1978, apartment starts have fallen short of apartment requirements by 77,000 units, or a full year's requirements. This shortfall in apartment starts is occurring at a time when apartment vacancy rates are rapidly reaching the zero mark, as I have already indicated.

These are astonishing facts, Mr. Speaker, at a time when apartment vacancy rates are continuing to drop, we are seeing apartment starts continually falling behind our requirements.

To repeat what the minister said in his document, we are rapidly approaching a zero vacancy rate across the country. It is 0.4 per cent in the City of Toronto, in the last figures released from CMHC; in the City of Oshawa; we are already down to 0.0 per cent; and it is 0.2 per cent in Vancouver, and so on.

Let me speak for a moment about the question of affordability, because it is related. If you cannot find an apartment and if you cannot afford to buy a house, what do you do? Where do you go; where do you look for shelter? You double up, if you are not affluent enough to be able to afford the black market?

Let us look at the housing situation in 1965. In 1965, when most families in Canada had only one income, one in two families could afford to buy a home and carry the mortgage for 30 per cent of the family income. In 1965, the average Canadian wage earner was making about \$5,000 per year, according to Statistics Canada. In that year mortgage interest rates were about 7 per cent, according to Bank of Canada figures. A three-bedroom bungalow in 1965 could be purchased for between \$16,000 and \$18,000. That three-bedroom bungalow was a new bungalow. Resold homes could be purchased for less.

In 1981, the situation was drastically different for Canadians wanting to purchase their own homes. In 1981, the average Canadian industrial wage was \$18,468 a year. Mortgage interest rates have fluctuated from 15.17 per cent in January, 1981 to a high of 21.6 per cent in October, and are currently hovering around 18 per cent; and we are told by all of the market analysts that they will go to 20 per cent before this year is out. In 1981, the same three-bedroom bungalow, which could be purchased for \$16,000 in 1965, cost about \$74,000 to purchase on resale or \$100,000 to build new. Between 1965 and 1981 the price of that bungalow rose by approximately 600 per cent. The concomitant increase in wages during that time does not even come close; wages between 1965 and 1981 rose by about 300 per cent. Of course, the implication is obvious—to own a home has become an impossible dream. As well, between 1965 and 1981 mortgage interest rates rose by about 300 per cent.

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Let me take a look at the government's response in the November budget. The government proposed to provide \$50 million in 1982 in the form of relief to home owners faced with mortgage renewals and the added burden of increased fuel costs. We should not forget increased fuel costs. The government came up with a mortgage interest deferral plan, but in 1982 close to 900,000 Canadians will have to renew their mortgages. As I have indicated, barely 2 per cent of that 900,000 will qualify for assistance. If a person is one of the unlucky ones who had to renew before September when mortgage interest rates were 21 per cent, he or she is out of luck and does not qualify.

The government's response with a mortgage renewal plan will put home owners further into debt because the program only allows people to defer interest payments. It is interesting to refer to the minister's document in respect of what he thought of the option of interest deferral payments. It reads:

Options such as interest deferral and lengthened amortization periods appear unlikely to be able to resolve the difficulties faced by all households renewing their mortgages.

What a pity the minister did not see fit to follow that advice!

Mr. Cosgrove: It is called "the grants provision" of the program.

Mr. McGrath: When the bill goes before committee, we will have an opportunity to examine the minister on his proposals. He did not tell us much in the 25-minute speech he made to the House. Obviously we will have to wait until the bill gets to committee. The minister could have brought in or carried on with the mortgage interest and property tax credit program which would have meant \$1,500 to the average mortgage holder this year.

The energy fuel tax credit program which would have addressed the rising cost of home heating could have been continued in the budget. The government could have brought in a proposal for shelter allowance which would have made it easier for provinces to lift rent controls. It is not enough for the