

even impeded housing developments in Canada, which has caused an increase in the number of homeless people, who are still waiting for a roof over their heads, and a home of their own. In Canada, it would be normal that everyone have his own house, even the poorest people.

● (1640)

In the last five or six years, many studies have been made to establish who should own a house, who should get the money required to buy one, and should be granted a loan to do so.

That question, Mr. Speaker, is twofold: First, is housing an absolute necessity; and, must the necessity to have a house serve to make the rich grow richer?

Mr. Speaker, in the last few years, especially since family housing has been encouraged, the demand having grown considerably, it seems increasing efforts are being made to promote construction; loan companies have taken advantage of the situation, with the blessing of the government and especially that of the Department of Finance, to increase interest rates, which has resulted in increasing considerably the income of loan companies.

I congratulate the former speaker, the hon. member for Oshawa-Whitby (Mr. Broadbent) who spoke of housing loans at rates exceeding 5, 5.5 and 6 per cent. No homeowner, no average man or worker can afford the luxury of paying a higher rate of interest. I cannot insist on this too much. I would even go so far as to say that municipalities, which also borrow from trust companies to service lands, for sewers, waterworks, paving, streets, should be financed through a bank act, or else the government should give the provinces the money required to finance those services, that their cost not fall back on the new owners.

Mr. Speaker, municipal services are now very costly. For instance, the town planner who draws up plans now charges \$20 per 65 by 100 lot in new developments. The surveyor charges \$80; sewers, water mains, asphalt and sidewalks cost \$75 per lineal foot; that means \$4,525 for two owners, one on each side of the street. It therefore costs \$2,262.50 to each owner. The municipality must be reimbursed that amount over 20 years at a rate of 9.75 per cent, which again means \$254.80 for each owner. If an owner pays \$325 or \$328 in school and municipal taxes for a detached house valued at \$17,500, he has to pay much more than \$500 in taxes for those services. Mr. Speaker, this represents some \$50 a month. It is impossible for a man to purchase a house and pay only \$50 a month for services and taxes. Considering the costs of a loan from a financial institution or the Central Mortgage and Housing Corporation at 9 3/8 per cent and if the purchaser has paid \$2,000 or \$2,500, he has bought a house which he will never own, because he will never live long enough to pay his house. Unless his conditions change, he never has any bad luck and things always go quite well he will never pay his house. He might say, I bought a house and after four or five years I got tired of it and I sold it because the facts show that nearly 100 per cent of houses are resold within the first seven years. The owner is tired of it because he thought he had bought a house of his own but at a certain moment he woke up and realized he was supporting trust companies.

Urban Affairs

As I said earlier, Mr. Speaker, interest rates increased from 83/4 per cent to 9 7/8 per cent, not including the increase of 1/4 of 1 per cent soon to be announced. If it remains at 9 7/8 per cent, including life insurance mortgage coverage, it is obvious irrespective of any study program the hon. minister might come up with that no progress will ever be made. It is impossible, there is nothing to do but to go around in circles.

I congratulate the minister and his cabinet colleagues for making available \$100 million to Central Mortgage and Housing to innovate and look for solutions. The minister said earlier this was not a research program but I do not agree with the minister because surely part of that \$100 million must be for research.

He also said he expected about twenty building programs to be set up and prototype assessments to be made to improve the construction system. I congratulate him for that. But I feel there is a loophole in his statement when he says it is difficult to promote and support innovation. That money will allow for various initiatives to be made incorporating desirable innovations that are impracticable without this additional support. Therefore, I ask that this fund come under no existing federal program but that it be rather used on a discretionary basis, according to situations and circumstances.

The minister should explain, however, what he means by the word "discretionary". Does he mean existing projects at the finishing or completion stage of development or new projects that will set aside for "discretionary" action?

Moreover, the minister intends to administer the program and the fund in such a way as to emphasize innovation as much as possible. I quite agree on this point. I believe that within the next five years, this initial investment of \$100 million will give rise to a wide range of projects worth much more. I agree with the minister because when one refers to the studies whose findings were made public in December 1970, special studies on housing, and in view of the fact that since 1970, developments have not been occurring as fast as they should have in the construction area in order to build houses for those who need them, I think that there is an urgent need, as the minister said, for us to find new outlets or new ways of financing new projects.

This study conducted in 1973 and made public by the former Minister of Transport, the hon. member for Trinity (Mr. Hellyer), was very well done, and I hope that the minister will refer to it. If he has read it already, he will read it again in order to understand it fully and to improve this situation. This study deals with city slums. If you went about for a few days during the parliamentary recess and looked into the investments guaranteed by the Central Mortgage and Housing Corporation in big cities, you would be frightened, Mr. Speaker.

● (1650)

With our money, with the taxpayers' money, they demolish houses which still seem pretty good instead of repairing them. After they are demolished, those houses are replaced by 25-, 30- or 40-storeyed skyscrapers with small rooms of barely 8 feet by 9, or 9 feet by 12. As far as