

National Housing Act

Regrettably, we will not even reach the minimum number of housing starts advocated by the Economic Council of Canada and the housing and urban development group. The housing problem is not only quantitative but also qualitative. The fiscal impact greatly favours larger projects.

Those large developments do not fill family needs. They are adequate and may be desirable for adults but children need and deserve better.

A recent study made in Yugoslavia indicates that there is more poor health among children who live on the top floor of high rise apartment buildings. These children lack exercise because their mother does not like to let them play outside.

Another study shows that mothers who live in high rises have a higher suicide rate. In certain cities, it would be impossible to build low rent apartment buildings even if loans could be obtained at reasonable rates. The legislation promotes this. In a free country, people are not free to build a little house in a city like Toronto. Urbanists, officials and politicians do not allow it. Of course, their plans allow the small wage earners and their families to live crowded in an apartment which would be just big enough for a childless couple. Of course, we all know the universal law of the bureaucracy. Civil servants multiply arithmetically while the rules multiply geometrically, but the results do not multiply and are late in coming.

Mr. Speaker, what the former chairman of the inquiry commission on housing wrote in 1970 is even truer in 1975 because the cost of housing and the cost of financing are now also astronomic, to such a point that the majority of Canadians have today lost any hope of being able to own in the near future a property that will be free of debt.

In Bill C-77, the federal government wants to direct a sum of \$750 million towards various housing projects in future years, which means that with \$750 million, as others have said before me, we could reach a minimum target of 20,000 dwellings, which is clearly insufficient in view of Canadian needs. At the same time, since many Canadians have lost confidence in the value of the dollar, we have exported \$25 billion in Canadian money to the United States. Canadians have invested \$25 billion in the United States and if these same Canadians who still live in Canada had confidence in their economy and the value of the Canadian dollar, they would be sure of the purchasing power that the Canadian economy can give them sooner or later. These \$25 billion could easily be invested in housing as first mortgages, with guarantees by the Central Mortgage and Housing Corporation.

But those Canadians have lost faith in the financial yield of the Canadian dollar, and that is why \$25 billion of our money were invested in the U.S. economy in the last five or ten years, which means that with those \$25 billion invested in the United States we could certainly come through with at least 500,000 housing units in Canada. And, Mr. Speaker, I would like to indulge in a retrospective of the housing cost and make projections based on the figures for 1975. I will begin first by a retrospective of the housing cost in 1938. A modest home in 1938 cost \$3,500, and you needed \$400 cash to acquire that home. The interest rate in 1938 was 4 per cent and the rental cost to pay a \$3,500 home at the rate of 4 per cent was \$25 a month. In

1945, that same property cost \$6,000; the cash needed to acquire that same property had remained the same—\$400—the interest rate had gone up by 0.5 per cent—so 4½ per cent—and the monthly payment for that \$6,000 property was \$60 a month. No one will dispute that the average cost of houses has risen from \$3,500 in 1938 to \$33,000 in 1975; the minimum down payment to buy a house is \$3,000; interest rates have risen from 4 per cent in 1938 to 11½ per cent in 1975, which means that with mortgage payments of \$300 a month required for 35 years to buy a \$33,000 home, the individual who makes his final payment after 35 years will have paid a total amount of \$126,000 in principal and interest. This individual will therefore have paid \$93,000 just for interest, and \$33,000 for his actual property. So who takes advantage of the property cost increase system when it means that while house prices may increase by \$5,000 or \$10,000 within ten years, interest rates have gone up in 25 years by over \$85,000? In 1961 also, 28 per cent of all revenues of Canadians were necessary to pay for property expenses, such as principal, interest and municipal taxes. In 1975, the same costs amount to 42 per cent of all revenues of Canadians, which means a 14 per cent increase in the percentage of all revenues since 1961, or in other words that in the past 14 years, 14 per cent of all revenues were used only to make up for the increase in housing costs, and that housing costs have gone up every year by 1 per cent of the gross national income; and that is just accounting for the increase. But if, on top of the cost of properties as I just mentioned, you apply an inflation factor of 10 per cent per year, as suggested by the new Anti-Inflation Board, if you consider the cost of living, the progressive rising of inflation, and if the new Anti-Inflation Board sticks to its 10 per cent rate, a property which in 1975 sells for \$34,500, with a yearly 10 per cent increase factor, would cost, in the year 2000, in principal alone, the small amount—those figures seem ridiculous this evening—of \$411,177.10. Supposing that the interest rate always remains the same, about 12 per cent, which means that there would be no inflation or increase in interest rates, a \$34,500 property in 1975 would cost \$411,177 in principal in the year 2000 and \$16,851,000 in interest after 35 years, the total cost amounting to \$17,262,000, principal and interest included. This means that a monthly rent of \$41,000 would have to be paid during 35 years finally to enable the owner to discharge entirely his debt. Those figures, I agree, are sheer madness. However, they are a reflection of our mad system which has unfortunately led us too quickly to the present mad economic conditions.

Mr. Speaker, it is not with bills of \$750 million to build 20,000 units in Canada and by avoiding any control over soaring interest rates that we will get low cost housing. It is absolutely fanciful and ridiculous to believe that such a legislation could solve all housing problems in Canada. That is pure fantasy and that is why very soon the government will have to take the bull by the horns, otherwise we can say farewell to home ownership in Canada. We are losing our time thinking that the owner of a small house will hold on to his property because it will be impossible for a low income earner to acquire housing on his own. In other words, Mr. Speaker, it is not through such hardly efficient and progressive legislation that we will get to solve the very delicate and serious housing problem in