National Housing Act

average cost of a home being $25,000 , will produce roughly 7,500 homes. The production of only that number of homes to meet the needs of low-income Canadians is not satisfactory.

The purpose of AHOP is to provide the means whereby low and middle-income families may purchase homes. If we build these homes at so-called low rates of interest, 7½ per cent to 8 per cent, with mortgages extending over 40 years and the average work lifetime ending at age 60, this will mean that a man who buys a home when he is 30 years old will be 70 years old before he has paid off the mortgage. I do not say this to embarrass the minister, because he knows the necessity to extend the period of mortgages, but I remind hon. members of the House that similar programs have been attempted in the United States which have resulted in very high interest rates and default penalties. In fact, these default penalties have been around 8 per cent to 9 per cent in the United States, while the normal default rate in respect of mortgage payments is about 1 per cent.

In a press release of June 12, 1972, the minister described AHOP as an additional alternative to public housing for low-income families. I pointed out at that time that the proposed $155 million funded for this program would produce only 7,500 homes. The minister has now left us hand hanging in respect of how much will be allocated under the present program. Surely it is obvious that this program will be directed toward rural towns and small villages in Canada. On the basis of the June proposal, the task force calculated that a family would require an income of $7,500 to be able to purchase an apartment valued at $20,000. Apart from the problem of the unavailability of 20,000 units in Toronto, the task force noted that 25 per cent of families in that city have an income of less than $7,000 per year. If that is so, the percentage of persons with incomes of less than $7,000 in small towns and cities would be much higher than 25 per cent, thereby limiting the program drastically.

If AHOP is an alternative to public housing, it is a very poor approach and we should condemn it in the same way we condemned the attempt of the hon. member for Trinity to deal with public housing in the report of the task force of 1969.

An hon. Member: Slum housing.

Mr. Gilbert: As the hon. member suggests, this would be similar to slum housing. It would be slum housing built by private enterprise, with public funds. This is what the minister is so proud of. Apparently he would rather put money in the pockets of the developers than provide amenities in public housing units.

My second point relates to the new communities program, land assembly or land banking. The minister waxed quite eloquent on this subject last night. He said $500 million would be available over the next five years to various governments participating in land banking. He cited Ottawa as an example of what he hopes to get under way in the near future. The hon. member for Peel South (Mr. Blenkarn) quite rightly reminded him of the Malvern project. Let me remind hon. members that even though that project is 20 years old, the land could be sold at a price far below the private market price provided it

was not sold originally to private builders. If this land were to be sold to private developers at high prices, they would in turn add the increased cost to the price of the homes in the area.

The people of Canada know that most housing in this country in the next ten years will be constructed on land already owned by a few large builders and developers. Let me repeat that, Mr. Speaker. Most homes built in Canada within the next decade will be built on land now owned by private builders and developers.

An hon. Member: We got it that time.

Mr. Gilbert: The Dennis report set forth CMHC requirements in respect of estimates for the next ten years for housing in this country. If we read that report we will find requirements set out for the next ten years. Toronto requires 19,600 acres of land to satisfy housing requirements in the next ten years. The acreage required is now controlled by six developers in the Toronto area: they control 18,000 acres. Calgary—its leading spokesman for the Tories spoke last night—requires, according to CMHC, about 7,500 acres. Six of the leading developers in Calgary own 7,000 of those acres.

Mr. Blenkarn: We could solve the problem, but you want to stand in the way of progress.

Mr. Gilbert: CMHC estimates that in the next ten years the city of Vancouver, the minister's own city, will require 8,000 acres for the construction of new houses, yet six leading developers in Vancouver now own 6,900 of those acres.

Mr. Blenkarn: What would we do without you?

Mr. Gilbert: I am sure the hon. member for Peel South feels discouraged about the speech he made last night and is attempting to qualify it now.

Mr. Basford: He is trying to recover.

Mr. Gilbert: He is trying to recover and acquire a little knowledge along the way. I will forgive him for his enthusiasm. In view of these facts, where does this leave the government in respect of land banking? I suggest it leaves the government with very little room for manoeuvring.

I note that the hon. member for Don Valley is in the House and I hope he will not be embarrassed when I mention some of the companies which own this acreage. There are three firms which now own in excess of 5,000 acres. The companies are Bramalea Development Corporation—I am sure that means something to the hon. member for Peel South—the Canadian Equity and Development Company, which is controlled by the Cadillac Development Corporation, Bronfman (Seagrams) Interest, and George Wimpey Canada Ltd. These are three subsidiaries of Monarch Construction-Richmond Costain Ltd., or three subsidiaries of British building companies. If you add to that Marlborough Properties Limited, you have all the private land in Toronto within the control of these large companies. I did not mention the Fidinam Company. Probably the hon. member for Don Valley will be happy to rise and indicate the large interest that group