

*Housing Prices*

the parliamentary secretary, the hon. member for Scarborough West (Mr. Weatherhead), consists of units so small that they are something in the nature of cages. These are the kind of results government programs are producing and which are being eulogized today by the hon. member for York Centre and the parliamentary secretary. However, I do want to say that I believe the parliamentary secretary made a much better speech today than did the minister.

We are told that since the Leader of the Opposition (Mr. Stanfield) has proposed a \$100 million revolving land bank fund for the country, the amount has been upped by the government and that will probably make the fund \$500 million. I do not know the precise amount, but apparently it will be sizeable. I wonder how responsible the government is being in this respect, in view of the fact that its estimated budget for the current year is over \$16 billion without supplementaries. I do not think there is any provision made in the estimates at the moment for these hundreds of millions of dollars. However, the government must take responsibility for this, as it will have to take responsibility for the consequences of its poor financial management of the affairs of this country.

There is no denying the fact that ours is materially one of the richest countries of the world. We enjoy one of the highest standards of living and although we are not self-sufficient in every respect we are becoming increasingly so. Yet strangely enough we have a dire shortage of decent housing for the low-income and poor people of this country. As former speakers have made clear today, people in all parts of Canada are living in substandard housing. Many still live in log cabins, tarpaper shacks, former streetcars, buses and the like. This type of substandard housing is a disgrace and many people who are in this situation have little hope for the future. In general, their income is not sufficient to permit them to make a large down payment on a home and to assume heavy mortgage payments.

Since the need for housing is not decreasing but increasing, something must be done to alleviate this situation. I hope that the puffing by the minister this afternoon means that his amendments will cover the whole problem, not just another fraction of it. I also hope that the amendments will deal substantially with the rehabilitation of homes. In this respect I should like to draw to the attention of the minister an excerpt from an article that appeared in the *Toronto Star* of Monday, May 29 last by the well known columnist and able panelist, Miss Dian Cohen. She writes the following under the heading "Several questions":

The decision to recognize the need for rehabilitation as well as for new construction is long overdue. So-called "low-cost" housing projects have cost the public purse as much as \$15,000 a unit in past years. Restoration costs run around \$2,500 to \$3,000 a unit.

But if the new policy is to succeed in producing more, higher quality housing for the poor, several questions have still to be answered.

First, will rehabilitation of existing housing be accompanied by rent controls, a freeze on assessment rates and a guarantee of purchasing adjacent land to prevent speculation? Will landlords be compelled to take advantage of government subsidized loans in order to restore their property?

Second, will low cost housing—like the unemployed—continue to be the unfortunate side effect of restrictive economic policies?

• (1620)

As long as the housing industry is at the mercy of government whim, there can be no lasting solution to the problem of adequate housing for low-income groups.

To these two questions I should like to add a third. Will the size of the units of low-cost housing be increased so they will be reasonably large enough to satisfy the needs of human beings? It is not only the people in the low-income brackets who are feeling the income pinch; more and more people are finding that housing is taking an ever increasing share of their income. Young married couples working as professionals are also finding it difficult to purchase and set up new homes.

By the year 2000 it is expected that 94 per cent of Canada's population will live in urban areas. In view of this, the comment in the Speech from the Throne of February 17, 1972, that "One essential is the provision of adequate housing of high standards to all Canadians" becomes all the more imperative; yet the government has failed to do anything about that situation up to now. It promises to do it tomorrow, but from what we have seen of this government, much of the time tomorrow never comes.

In 1969 the average cost in Canada of a detached, three-bedroom bungalow was \$20,831. By 1970 this has risen to \$22,422. These figures conceal a great deal, for they are averages and as such conceal, even though they are appalling enough, the inordinately high cost of homes in areas such as Toronto where an average home costs considerably more than \$22,422. In Toronto, which is perhaps the most expensive place in Canada to buy a house, the average price for new and resale houses is now in the \$32,000 range. This is an increase of 5 per cent over the 1971 average.

Home buyers are facing higher borrowing costs as well as higher prices for houses. Right now, prime conventional house loans on good urban properties carry interest rates of 9 per cent to 9.5 per cent. In addition, National Housing Act mortgages generally cost 9½ per cent. It is the responsibility of this government to lower these interest rates.

During the 1968 election campaign a great deal was said about urban affairs. The leaders of the Liberal party poured forth many commitments in this respect. Interest rates were to be kept reasonably low, land costs were to be kept as low as possible and a concerted effort would be made to attract more investment in mortgages. What we have in 1972, after four years of non-government, is ridiculously high land costs, mortgage interest rates which are unacceptably high, close to 10 per cent, and a desperate need for investment in the mortgage field.

This House has been constantly told that dynamic new policies are under consideration, but I recall that after one of its former cabinet ministers completed his task force study on housing the entire matter was more or less shelved. I suggest it is time for members opposite to take concrete and dynamic initiatives with regard to housing and urban affairs.

There are three main avenues which the government may follow to reach the goal of giving some relief to homeowners and potential homeowners. The first of these