

Supply—Labour

its responsibility to provide good administration. If a worker has an income of \$8,000 a year he will not be able now to buy a house costing \$15,000 or \$18,000. Add to the payments of capital and interest those for school and municipal taxes, add income taxes, both federal and provincial, add the cost of maintenance of the house, and you will find that families with an income of \$7,000 or \$8,000 a year will become indigent and will have to come to the government of this country asking for help in an effort to subsist.

• (4:10 p.m.)

This is a sad state of affairs. When you deprive wage earners in the \$4,000 to \$8,000 bracket of the possibility of ever owning a house, you are doing the greatest injustice that has ever been done by any government to any people in any land. I hope the government's policy with regard to low income wage earners will be continued so that we will give to them all those facilities to which they are entitled, but I also ask that the middle income group be given the same facilities to which all Canadians are entitled.

The minister is well aware of the fact that in view of the present costs it is practically impossible even to consider the construction of a home costing less than \$15,000. The repayment of principal and interest plus the annual taxes calculated on a monthly basis must not exceed 27 per cent of the gross annual income, so it can be stated that a person earning \$6,000 a year cannot qualify for a loan because after his monthly payments are made the balance left puts him into the category of a low income earner. It can therefore be said that no one earning under \$8,000 a year can qualify for a loan under the policy laid down by the government. This is a serious state of affairs because, as I have mentioned previously, we have deprived the majority of the Canadian people of the possibility of owning a home and this strikes at the very heart of our social structure in Canada.

It is all very well to criticize the government for policies which do not seem to meet the views of another party, but I believe it is also our responsibility to be able to suggest what must be done to meet the crisis and alleviate the problem. First and foremost we must consider the necessity of conducting research into housing and its problems in so far as the cost and quality of housing are concerned. We note that housing has been an industry where such research has been lacking, and it is the government's responsibility to order intensive research in this domain.

Research is mandatory in regard to urban development more than in other areas because our cities are younger, more spread out and flexible than cities in the order parts of Europe and the conglomerations in the United States. It is important that more intensive research be carried out into urban renewal and recreational facilities for those living in these areas. A more drastic drive must be made in order to encourage private enterprise to make funds available to meet the demands on the financial market. It seems strange to me that our Canadian financial institutions cannot meet the challenge extended to them, because the security on housing loans afforded them by the government is greater and more lucrative than on investments that can be made in corporations. I am not stating that they should keep away from corporate investments, but surely they would be encouraged to invest an important part of their portfolio in housing in Canada.

Mr. Nicholson: Would the hon. member permit a question?

Mr. Keays: I will permit one as soon as I am through.

I was rather amused at the minister's statement in which he encouraged investors to lend money at a rate below the ceiling which has just been authorized. I would hate to believe that the refusal by private enterprise to invest money is caused by the feeling of insecurity which these people have with regard to the government. Therefore it is very important that the government give heed to these fears and assure the financial community of our country that it intends to establish strict fiscal policies and put our economy on a stable and projected long-term base. Urban development is not encouraged. Long delays in servicing land, the extravagant standards which are demanded and the complexity of municipal laws and regulations all add to the cost of housing projects and cause a lack of interest among project builders.

Surely we should have thought of devising new ways of raising money for housing. It would seem to me that the issuance of debentures, guaranteed by the government, by Central Mortgage and Housing Corporation could create interest among people with small savings and encourage them to put their money in these secured investments which would provide a rate of interest comparable with that on government bonds or good corporate investments. Had this plan been adopted some years ago we would have had enough cash