

*Urban Affairs*

contain a one-family dwelling. While this type of situation occurs, it is no wonder the price of housing is becoming out of reach of the ordinary Canadian. It might be useful to look at the cause of this difficulty. Part of the cause, no doubt, is the fact that a large part of the development is left entirely in the hands of the developers. In spite of the minister's statement that there is a huge land assembly program, I have no knowledge of such a program working very effectively anywhere in this country. I do not see any such program in Ottawa.

We have a situation, for example, where a developer might buy a section of land perhaps for \$2,000 or \$10,000 an acre. About a third of that land will be taken for parks, roads, lanes, and so on, and he will wind up with probably three or four building lots per acre which he will in turn sell for \$30,000 or \$35,000 a piece. These lots are not available to individuals but are simply used by the developer for the construction of houses which are sold at a huge profit.

Another thing which would seem to be contributing to the high cost of housing, on which the minister, did not touch, of course, is the speculation which is carried on in land. People buy land and hold it for a month, two months, or less, and by this method tie up whatever land is available, simply to resell it at a profit. I think the minister should look into this situation to see that reason is instilled into that part of the housing situation.

Although I am a believer in the private enterprise system, I think there are certain areas where this system becomes self-defeating and does not serve the public interest. I hate to say that, but it seems to be the case in so far as the availability of serviced lots for individuals wishing to build homes is concerned. Even though the minister says there is a land assembly program in operation, it just does not work. It is not making land available at cost or slightly above cost. The demand is still for higher than the supply at the present time. So I really wonder whether the minister is serious about his land assembly program. He seems to be quite satisfied to sit back and do nothing more. It seems more like political window-dressing.

Another aspect of the housing problem which is contributing to the high cost of housing is financing. Over the past decade we have seen varying rates of interest. In 1966-67 the rate was around 6 per cent. At that time, and with that kind of interest rate, there was no undue inflation. The financial institutions seemed to survive and did not fold up because of the low interest rate. Things seemed to go along pretty well. Now, however, the Minister of Finance (Mr. Turner) tells us it is impossible to do anything about interest rates which are in the vicinity of 10 per cent and 11 per cent.

The present interest rates are a crushing burden on any home owner. It is almost impossible for most individuals to consider owning a home because of this burden. I think the fact that the minister continually refuses to consider taking action to lower the interest rate suggests that the Liberal Party is subject to a good deal of pressure from various financial institutions. It could be that they are sharing the pot. I do not know for sure, but this is a possibility and perhaps it is why they are not willing to take the kind of action necessary to reduce interest rates to a reasonable level.

Another thing which could be done with regard to the financial market is to ensure that a larger percentage of the funds available is allocated to single family housing. I think this would be a step in the right direction. An additional factor in the high cost of housing is building materials. In the past year or so there have been rapid increases in the cost of building materials. Builders in some cases will not even quote a price on a house before it is built because they do not know from day to day what will be the cost of the materials necessary to construct the house.

Inflation has been so rampant in the area of building materials that something must be done quickly. We should ensure an adequate supply of building materials. There are various ways to do this, including reduction of exports and increased production. Another method is the removal of the sales tax on building materials. The Liberal way is to tax everything to death, but I think at this point the Conservative way would be better; that is, remove this tax and give people a chance to have a breather so far as building materials costs are concerned.

Then there is the cost of labour. I believe it would be appropriate at this point to compliment labour, including the labour unions which I think have shown, in the face of absolutely uncontrolled inflation, a good deal of restraint in not seeking unusually high wage settlements and by continuing to do their jobs. Therefore, labour is not the most serious aspect in respect of housing costs at this time.

It may be that the most important thing we could consider in relation to housing is the quality of life which is provided by the various housing programs in the country. Research seems to have shown that the aim we must have is that every individual or family which wishes to have a home should be able to own a private, single-family dwelling as opposed to the various multiple dwellings now available. It is not necessary for me to go into the various advantages of this apart from saying there is no structure which leads an individual family to feel more at home and enjoy privacy than the single-family dwelling.

Perhaps there has been too much of a trend in recent days toward townhouses, condominiums and dwellings of that nature. No doubt this is a reaction to the shortage of houses—a reaction to a crisis. In its reaction to this crisis, the government does not seem to have given any thought to the quality of life actually produced by this type of multiple housing. So when looking at the housing situation we should not simply look at it in terms of numbers but also in terms of the kind of housing starts we produce.

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If we look around Ottawa we see hundreds upon hundreds of townhouse structures. Just imagine what those places will look like 30 years from now. My prediction is that they are slums of the future. We have not learned from past experience of crowding too many people into small areas for the sake of expediency at present. It is true that when these units are new, they are attractive and fairly pleasant, but I know they are not what Canadian families want and the danger is great that in 20 or 30 years' time they will simply be slums with which a future government will have to cope. So I would like to see a trend away from building these townhouses and con-