

published in January last by the task force on housing and urban development and I quote:

Within the more limited context of the housing supply, itself the Task force found ample evidence of imperfection within the existing market mechanism.

It is undeniable that as the result of the present housing policy the citizen whose annual income is below \$6,000 per year cannot hope to carry out his dream of becoming owner of his home. That dream which in fact satisfies a universal need will only be a chimerical idea for the three following main reasons: the costs of land, and construction, the rates of financing.

Indeed, if we consider the first impediment, that is the cost of the land, we realize that it is too high, because there are very few places, like in Saskatoon, where serviced lots can be found for less than \$3,500, according to the report of the Hellyer's task force on housing and urban development.

In addition, a survey of 26 major municipalities by the Canadian Federation of Mayors and Municipalities disclosed that, in almost 50 per cent of them, the average cost of a serviced residential lot was in excess of \$8,000.

I will now deal with the second factor. The price of materials is excessive and the federal tax of 11 per 100, as well as the Ontario tax of 5 per cent and the Quebec tax of 8 per cent make any construction almost impossible. Because of direct and indirect taxes, construction costs reach astronomical figures.

I shall finally talk about the factor I find the most important. I mean the incentive loan, because the cost of money in the last few years resulted in a sharp increase in the interest rate. The Central Mortgage and Housing Corporation which comes under federal authority recently raised its interest rate to 9½ per cent, an all-time high, with the blessing of the government. Never have interest rates been so high in the field of residential construction. Early in January, when New York banks increased their interest rates to 7 per cent, everyone, Americans first of all, claimed it was robbery. Bankers were denounced as swindlers and profitters.

How could we today prevent finance, trust and insurance companies, and banks from establishing any interest rate on the first mortgage of a house, seeing that an organization responsible to government has raised its own.

As a result, thanks to the Central Mortgage and Housing Corporation, people must pay

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for five or six houses to get only one. That system is not consistent with progress, considering the present prosperity in our country.

Mr. Speaker, the Canadian citizen who longs to own his home is pursuing a dream that will never come true because of the system.

For example, 60 per cent of Quebec families live in extreme poverty, with an annual revenue of less than \$5,000. Also, out of 6 million residents in Quebec, there are 160,000 unemployed, a record in developed countries.

In the Eastern Townships, 81 per cent of those employed earn less than \$4,000 a year. Between 4 and 5 per cent of that population or more than 10,000 people live on welfare. There are also 2,000 families who must pay for health care, education, recreation, shelter, heating and other expenses out of weekly wages of \$35 or \$40. The unemployment rate is 8.4 per cent of the population, that is 6,000 or 7,000 Canadian citizens in the Eastern Townships are out of work. I do not speak for nothing today, if I can draw the attention of the government to the sad situation in the Eastern Townships which, in my opinion should be a designated area.

The alternative is plain: either people live in 500,000 houses officially termed "inadequate" and commonly called "slums", or they get at the top of a long waiting list to obtain "public housing", one of those 40,000 units or so in Canada built and financed by the government.

The task force on housing and urban development adds and I quote:

With the possible exception of the "sweat equity" co-operative housing program in eastern Nova Scotia, the Task Force could find no effective or organized system in Canada whereby lower-income families could aspire to home-ownership.

This problem does not confront only the lowest income groups but also the "average" wage earners within the \$4,000 and \$8,000 a year range.

In fact, the general level of the cost of living and the price of single-family dwellings being what they are, the dream of many of these Canadians is just that—a dream. Their dwelling is costing them well beyond the 27 per cent of income the CMHC handbook says is acceptable for a family budget.

Mr. Speaker, the sharp rise of interest rates registered during these last 30 months represents the factor which has contributed the most to increasing the price of private property beyond the means of most Canadians.