

*Supply—Labour*

in this field which is concerned with the national welfare of our citizens the national government has a solemn duty to take the initiative and bring together those bodies which are provincial creations and are concerned with this matter. Unfortunately the minister's message has not come through. This problem has not been caused because the provincial governments have been indifferent to it. It has been caused, rather, through the fiscal policies of the government which have made it impossible for the provinces to fulfil their obligations in the field of housing and in many other sectors of the economy.

We may argue the pros and cons of the minister's statement, but it remains crystal clear that the government has refused not only in the last few months but in the last few years to look forward and plan fiscal policies to meet changing conditions. Statements have been made by those on the government benches that the government is going to reconsider its position and make funds available on a priority basis. This is a futile intention on the part of the government because priority in each department of government has a different meaning. For reasons of political expediency every member on the government front benches finds a reason why his program should not be changed.

If the government had really intended to cut back on government expenditures it would have postponed some of those projects which are not intended to be productive. The end result, however, is that the government is short of funds in important sectors of the economy such as housing and the people of Canada have to suffer the consequences.

What is the nature of the housing problem? Is it predominantly of a social character? I say it is, because it touches the very life of the family. The problem in this field is causing undue hardship to many of our wage earners. The problem is constantly with us because we are a growing nation. It has often been said in the house that by the end of the 1960's housing starts and completions would have to be at an annual rate of 200,000 units. Added to this figure, of course, are replacement demands amounting to approximately 50,000 units per year.

We can see, therefore, that we have an important goal to attain. The minister in his statement of last year had every confidence that the measures he was proposing would meet this demand. Unfortunately, the experience of the last few months has proven that the figure of houses completed has dropped

[Mr. Keays.]

away below expectations and housing starts have dropped by an alarming degree. The prospects of attaining our goal are dim indeed.

When we look at the record of the government in the field of housing we find they have been an accomplice in those factors which have increased the cost of housing and land by approximately 35 per cent within the last four years. Adding to the cost of housing is the 11 per cent sales tax on building materials. This tax has been constantly opposed by my party. Adding to the cost of housing is the higher cost of labour because of, as I mentioned earlier, urgent demands for increases in salaries to meet the higher cost of living. Also adding to this problem is the short-term policy of the government which allowed land speculation to be abnormal.

Another factor in this problem is the cost of building materials which has risen beyond any normal increase because of inflationary pressures and the high cost of production. In this respect we have a government that is continually endeavouring to drive a corkscrew deeper and deeper into the festering social fibre of the family.

It is true that the new rate announced by the minister will not affect the interest rates on loans for public housing projects for families of low income, housing for older persons, student housing, urban renewal and sewage treatment projects. However, when we consider the effects the increase in the interest rate will have we immediately see that we have eliminated from the market all those with incomes ranging from \$4,000 to \$8,000. The people in this wage bracket represent a large majority of the wage earners of Canada.

I have every sympathy with those who have to live in public housing projects. It is the duty of government to help those who have not the necessary resources for the maintenance of their families, to intercede and give comfort to those families. This government is not preoccupied at the moment, and should not be, with those who want a \$50,000 house, because funds are available right across the country for those who need such houses.

But I ask the government to think of those families whose income is between \$4,000 and \$8,000. These families will never again be able to own a house in Canada. The government has eliminated the majority of wage earners in this country from owning a home. Any government that does this has failed in