

Mr. JOUBERT: I am discussing the help to be provided to low wage earners, and if any additional laws have to be enacted to help them, it may be necessary. But of course we are not providing you with the solution, we are mentioning only where the trouble lies.

Senator PEARSON: Would it be a cheaper proposition for the low wage earner to purchase a multiple type house rather than a single?

Mr. JOUBERT: That is a very large question, Senator Pearson.

The CHAIRMAN: Senator Wall, have you more questions?

Senator WALL: In that particular arena I am through. I think we have covered the other angle, that is the provision of serviced land.

Mr. JOUBERT: If you will allow me, Senator Wall, when you talk about assistance to purchasers of low cost homes, there is another aspect we did not touch upon here and it should be mentioned: It is the fact that some economists think that it is a better idea to build higher cost houses for those in the higher income brackets, for those who can afford them, and provide a means for the low wage earner to buy the used house vacated by the purchaser of a higher priced house. There is a complete thesis that can be built up around this idea. If the market for used houses was as fluid as it is for used cars maybe the low wage earner could purchase these used houses. At least that would be one way of his reaching home ownership without the builder having to reduce the price of a home by cutting off so many square feet of area and doing away with some of the finished items in a house.

Senator PRATT: On page 6 your brief refers to terms prevailing in the United States with reference to the purchase of used houses. Could you enlarge on that?

Mr. JOUBERT: We have not developed the item very fully but it relates to that.

Senator PRATT: Is it Government policy there to assist in the purchase of these older dwellings?

Mr. SMITH: Mr. Chairman, I wonder if I might answer that question. In the United States, under the Federal Housing Act, it is possible to buy an older, used house for approximately the same down payment as it takes to buy a new one here. In Canada, under existing legislation, that generous treatment is not provided.

Senator HORNER: Who takes care of the balance of the purchase price on such a deal in the United States?

Mr. SMITH: It is financed by a mortgage from the Federal Housing Administration.

Senator HORNER: Do they take over the old house and then sell it?

Mr. SMITH: No, it is just a financing device; it does not provide a substitute for the real estate broker in any way.

Senator WALL: Actually if we were to make it possible for the easier selling or financing of older homes it would be a tremendous boon to us in Canada would it not? Let us say that an average low income person is able to buy an old house for 10 per cent down, financing the balance of it, it would make a terrific difference to him.

The CHAIRMAN: Is not the purpose of the National Housing Act and the C.M.H.C. to find more housing? When you start to finance old housing you are not finding new houses.

Senator HORNER: When the Canadian Construction Association representatives were presenting their brief to us they claimed that they could see an end to this provision of more housing. They said that in fact they had come to the point where there were no sales for all the new houses. That was their