

*Housing Prices***GOVERNMENT ORDERS****BUSINESS OF SUPPLY****ALLOTTED DAY, S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO ENACT MEASURES TO PROVIDE HOUSING AT REASONABLE PRICES**

Mr. Robert McCleave (Halifax-East Hants) moved:

This House regrets that the government has failed to take measures which would provide all citizens with decent housing at reasonable prices.

He said: Mr. Speaker, housing debates always offer members an opportunity to quote statistics, and I shall begin by citing one which I think illustrates the housing problem as well as any. The average family head buying a house this year will be approximately 72 years old before he has paid for his \$30,000 bungalow. At the age of 72 he will have actually paid \$103,939.20 for that bungalow if he has been able to arrange his payments at a rate of 8½ per cent over 40 years. He would undoubtedly be able to arrange a direct mortgage over that length of time, but 8½ per cent is an interest rate which belongs to a more golden age.

The figures show the staggering totality of the difficulty Canadians are up against in providing themselves with one of the elementary needs of living. I shall not try to cover all the aspects of housing in my speech. It would not be possible in 30 minutes. Anyway, my hon. friends will be making points in addition to those I make. Before I get into the burden of my speech, I should like to thank the Minister of State for Urban Affairs (Mr. Basford) for his courtesy. I advised him yesterday I would be proposing this motion today. He did have a meeting actually scheduled today on the west coast, but this he cancelled in order that he might be here for the debate. Perhaps we could work out a procedure whereby longer notice is given to the spokesmen for the ministry and for the other parties. This is something to which I would certainly give attention. I do thank the minister for his courtesy in this direction.

Some hon. Members: Hear, hear!

Mr. McCleave: This having been said, I would hope that the minister, when his turn comes to take part in the debate, will state the objectives of any changes in the National Housing Act affecting the Central Mortgage and Housing Corporation which will be proposed before the House rises for the summer recess. There has been considerable talk about legislation being just around the corner, but some of us expect that this corner may be at the end of a complicated maze and that we are not likely to see anything except the act which is currently before us and which will be before us some time next week concerning the details of the mechanism of mortgage finance. In particular, I hope the minister will state his objectives with respect to the housing of people in the low income groups, a largely neglected part of the population when it comes to housing.

We should also be given a clear indication by the minister of any measures designed to deal with the rehabilitation of older neighbourhoods. At one time it was fashion-

[Mr. Speaker.]

able to uproot them and substitute expensive urban renewal. We may have lost sight of the fact that much of the housing in Canada is old, and that a good deal of this old housing is occupied by the poor. By uprooting the poor we do not necessarily solve our problems; we may be substituting new ones. The rehabilitation of old housing is one of the priorities to which any government or parliament should pay attention.

In making some recommendations and setting forth a few suggestions for solving some of our present housing problems, I should like to begin with one we have sought to hammer home from time to time, and will continue to do so until the present situation is corrected. I refer to the sales tax on building materials. We have urged, sometimes by motion, and invariably during these debates on housing, that this tax is iniquitous, that it bears no relevancy to proper aspects of taxation and that it should be removed.

I should like to follow a somewhat different approach in presenting this argument today. A study by the technical research committee of the Housing and Urban Development Association of Canada estimated that on-site labour now represents 24 per cent of the cost of construction, whereas 15 years ago it represented 45 per cent of the cost of construction of a home. Building materials represent 74 per cent of the cost of a home—perhaps more, now, since those figures were compiled a number of years ago, and presumably the trend upwards has continued. Equipment rental accounts for 2 per cent. So, 76 per cent of the cost of the construction of a home involves building materials or equipment rental, both subject to the sales tax I have mentioned. The remainder is made up of labour costs. If we take between 6 and 7 per cent off that figure of 76 per cent, substantial savings can be achieved. For example, on the cost of a \$30,000 home one could achieve savings in the neighbourhood of \$1,000. This is not pin money; it is a substantial part of the cost of that house. This reinforces the argument which has been made in many other ways that the sales tax on building materials simply has to go. In the name of equity, common sense, and as a substantial way of getting housing costs within the reach of those for whom housing costs are just beyond reach at the present time, this is nothing short of a necessity.

The second point I should like to make has to do with land costs. These are particularly high around Toronto. Part of the difficulty is that the servicing of land by the municipalities always tends to lag behind the need for that land. There are always customers ready to buy serviced land. They have to wait their turn, and while doing so they keep bidding each other up. In the course of another study, made by the same HUDAC group in April, 1969, it was estimated that the cost of land of a 50 ft. lot in Toronto was in the neighbourhood of \$13,000. This was the most substantial raw land cost of the cities surveyed. The other cities were Halifax, Montreal, Hamilton, Winnipeg, Calgary and Vancouver. It was so substantially different that it was obvious the Toronto area and that part of Ontario was being subjected to processes of urbanization that were much more advanced than those in any other part of Canada.

• (1230)

I have referred to this process before. I think this is about the fourth time I have told the House that the