

Housing

being borrowed. In the case of a person borrowing \$18,000, this means he pays a \$360 mortgage insurance fee.

• (6:00 p.m.)

Hon. members may recall that during the late show on February 6, I pointed out that the Minister of Transport had been repudiated by his colleagues in that his recommendation for the removal of the 11 per cent sales tax had been pushed aside. I said the only honourable thing he could do was resign. He has now done the honourable thing. I regret it took him two months to do it but he has faced the facts, and I admire him for it.

The task force report recommended that the 2 per cent mortgage fee be cut in half. I believe this fund was started in 1954 and since that time has grown to \$224 million. Out of 800,000 loans made only the small number of 6,000 claims have been made against this fund. Therefore, I urge the government to accept this recommendation to reduce the fee, if not eliminate it altogether.

The report also made considerable reference to public housing. There are certain sociological problems involved in public housing. I am of the opinion that the whole concept of public housing as we know it to date is wrong, in that it brings poor people together and throws them into what I believe will eventually become ghettos. There is quite a lot of public housing in my constituency, and I disagree with the method through which rents are collected and assessed.

Public housing rents for 1969 are based on incomes in 1968. If a person made \$2,000 or \$3,000 extra in 1968, through overtime or by engaging in extra work, his rent this year is assessed on his increased income of last year. If his normal income were \$3,000 but he made \$5,000 last year, his rent this year will be based on the \$5,000 figure. This deprives public housing tenants of the chance to accumulate enough money to buy or build homes of their own. It destroys their initiative. They know that if they work overtime and earn more money, some 27 per cent of that extra money will go to pay rent.

The Prime Minister's optimistic comments today will do little to impress my constituents. I am thinking of the hundreds of people who tonight must see their children go to bed in substandard houses. They will get little consolation from the Prime Minister's words.

The average per capita income in Newfoundland is \$1,173, compared with the maximum average of \$1,988. According to computations made in 1967, 34 per cent of Newfoundland families would qualify for mortgages of only \$10,000 at then prevailing interest rates. Building costs in Newfoundland in 1967 were \$30.54 per square foot, as compared with the Canadian average of \$12.54 per square foot. The people in the maritimes, especially in Newfoundland, have the lowest per capita incomes in the country and the highest building costs. In addition, according to a C.M.H.C. booklet that I have in my possession, they have the highest average land costs in Canada. In these circumstances, what chance does the average family man in the Atlantic provinces have of being able to own his own home?

We must admit that the Central Mortgage and Housing Corporation has done a reasonably good job in recent years, but it is catering more to the upper middle classes and the wealthier people. To those who can occupy subsidized rental accommodation, C.M.H.C. is of no use whatever. One must remember that a man who earns anywhere from \$4,000 to \$6,000 is too well off to qualify for subsidized rentals. In fact, in this regard there is a ceiling on the income which a man can earn. But having got that salary of anywhere from \$4,000, \$6,000 or \$7,000 a year, he cannot qualify for a National Housing Act mortgage. So, there he is caught in the economic squeeze. As I said before, he is too well off to be able to move into and enjoy a subsidized rental house and does not have the required income to qualify for a National Housing Act mortgage. These are the people who should be given every consideration because they and their children are just as entitled to a decent place to live as anybody else who lives in Canada.

• (6:10 p.m.)

I agree with one of the other speakers who said that the government and the Prime Minister are hiding behind the constitution in order to avoid the responsibility they have to the people of Canada, especially in the area of housing and urban renewal. We have extremely high interest rates, we have high building costs and high priced serviced land. If all these things are thrown together, then we do not have a healthy society in which there is a good opportunity for a person to acquire a house.

With regard to the urban renewal recommendations in the task force report, I can speak with some personal knowledge and

[Mr. Carter.]