

*Supply—Resources and Development*

This problem can be solved only by following the suggestions which have been made repeatedly in this house by various members of the opposition that a dominion-provincial conference be called to discuss the general reallocation of tax revenues and to provide for returning to the municipalities at least some of the tax revenues which are charged directly against them.

In my opinion it is not equitable that a municipality should have to pay a tax upon the gasoline used in its vehicles operating within its own boundaries or that it should have to pay a sales tax on equipment and other things which it purchases for its own use and then in return receive nothing whatever from the federal government in the way of taxes on the premises or real estate within that municipality occupied by the government. It just does not add up.

A conference of the type I have mentioned could go into all these matters. I understand that some of these were discussed this week by Mr. D. C. Corbett at the meeting of the Canadian federation of municipalities which is being held in the west. All these factors contribute to the situation which prevents the ordinary workingman or wage earner from providing his family with a home.

In cities like Hamilton and many other places in which there has been a great influx of population within the last ten years you find families living in one or two rooms, in shared accommodation, under conditions which are a disgrace to people who want to raise their children to observe the religious and moral laws which have been handed down in this country from generation to generation. The conditions under which many of these people live practically prohibit the bringing up of children who will be healthy in mind as well as in body.

I strongly urge the minister to lend his support in convincing the cabinet to call a dominion-provincial conference which will deal with these aspects of this important problem so that people in our municipalities may be able once more to build their own homes and provide roofs over the heads of their children.

**Mr. Gillis:** Mr. Chairman, I know the minister wants to catch a plane at four o'clock and I am not going to start a debate at this time on the question of housing. I think the hon. member for Eglinton did a good job this afternoon in putting on the record the information on this subject which he had gathered in the banking and commerce committee. I think that information will provide a good basis for a real discussion

[Mrs. Fairclough.]

of this matter at the next session. I never had any illusions about the National Housing Act providing homes for the average salary and wage earner in this country because the economic unit fixed by the act when it was enacted ruled out anyone earning less than \$8,000 or \$9,000 a year. I never had any illusions about that, and I am very glad it is beginning to get through to others in the house that the Sun Life Assurance Company and other institutions of that kind are not going to provide housing for the average income recipient in this country.

I want to say to the minister that there is one problem about which I wrote to him and spoke to him, and I am wondering if any thought has been given to it in the interim. I refer to the problem of those who built homes between 1947 and 1950. They applied for loans covering their homes based on the prevailing prices of lumber and materials at the time, but between the time of securing the loan and completing the building the inflation in the price of building materials shoved up the price of the housing unit by some \$2,000 to \$2,500. I am thinking of the type of case I brought to the attention of the minister, that of people with an income of about \$50 a week who figured out their budget and could make their mortgage payments on the basis of the amount of the original loan. However, in completing their home they found that because of inflated prices they were in debt for a couple of thousand dollars to a lumber dealer. In the cases of which I have knowledge the lumber dealers are pressing for the payment of the additional money.

The people affected thought they could secure a supplementary loan to make up the difference through Central Mortgage and Housing Corporation and the insurance companies, but as indicated by the hon. member for Eglinton that policy has been changed. These people are told to go to some other financial institution and take a second mortgage but that is impossible to that income group because it means adding about \$50 a month to their mortgage cost and they are not able to handle it. There is a problem there. There may not be so many involved, but there are extenuating circumstances in the case of people in the lower income groups who tried to build homes. I should like to know whether the minister has got in touch with the insurance companies. These people are not averse to having an additional \$2,000 added to the mortgage they already have with an insurance company but they do not want to have to go elsewhere and have to