

Mr. JOUBERT: We agree that the principal object of the National Housing Act is to build new homes and we think it will remain so but we find that the market as it develops has specific characteristics that have to be worked on if we want to have a perfectly fluid market for housing. And I say that for the housing market in general, not only the new-house market. You cannot confine yourself only to the new-house market without thinking of the housing market as a whole.

Senator WALL: I wonder if I could come back to one thought. We had made attempts to guess at the reason why there were not enough low-cost houses built and one of the reasons was a supposed reluctance, which is not proven, on the part of lenders, for example; another is the rise in the price of serviced land; another was probably the building code regulations. Would it be unfair to say that there is also a definite perhaps a traditional reluctance or hesitancy on the part of the builders themselves for reasons which I would not want to specify at the present time?

Mr. JOUBERT: You may specify it, Senator Wall, and I think what you have in mind is the profit aspect, that the profit is too high. Well, I am ready to discuss it very frankly. The builder is an entrepreneur like any other manufacturer in Canada and he is entitled to his fair profit, and what we are working towards is to try and have a good market for homes for future clients of the house builders, and we think that excessive profits when made are not more normal in the hands of house builders than in the hands of any other manufacturer. If you consider the house builder as a manufacturer you will see that he has to be very keen and very active to be sure that he will make an average profit from year to year. Many go bankrupt. House building is a most complex industry. In the assembly of television sets or automobiles the manufacturing processes are much more integrated within a plant than house building will ever be, and that is brought about by the fact that you assemble or build or manufacture a house out in the open while most other products are built in factories. That is most important to consider when discussing the risks and profits of the house builder. Of course, you may find that some house builders at one time or another have profited or speculated on a few houses if there was a lack of housing in one area, but in general you will find that prices are generally at a fair level when there is enough of everything. Our contention is that what is lacking most in the housing industry is a fluid market for houses in general, and a good market for serviced land.

Senator WALL: Could I discuss one additional point on that question, and that is one dealing with multiple housing on a co-operative basis. Taking into consideration the average cost of land and the average cost of building a single dwelling and compare that to the cost of a multiple dwelling, not of the posh type, but a good standard multiple brick dwelling adequate for the purposes of family living, what would be the approximate cost of such a unit vis-a-vis a row type housing or a single dwelling?

Mr. JOUBERT: Figures have been published by Mr. Legget, Director of Housing Research of the National Research Council, and I am ready to accept his published figures, for discussion purposes. He sets at \$1.25 per cubic foot the cost of a single dwelling unit and at \$1.05 for the apartment house, but in his own statement he states that one should not take only the cost per cubic foot or the capital investment figure to compare costs of housing units. One should figure rather what the monthly payment may be for the type of housing unit. If you want to make comparisons you have to take into account not only the money taken out of the pocket of the wage earner but you have to take into account what he is getting for the money he is paying out monthly and this involves quite a discussion on what percentage of his earnings he should spend per month on housing, and also it means quite a lot of discussion on