

Discussion on Housing

I want to deal in broad outline with what we think government housing policy ought to be. We do not think that the federal government can evade its responsibilities in the field of housing. It cannot suggest that housing is outside federal jurisdiction. It is true that the constitution says that housing is a responsibility of the provinces and municipalities, but surely no one can deny, that the federal government, through Central Mortgage and Housing Corporation, has pumped into housing hundreds of millions of dollars. Without the federal government there would be no leadership in this field, there would be no housing policy and virtually no house construction in this country. It is the federal government, therefore, that must give leadership, and there are a number of things which the federal government can do.

If the government does not wish to impose direct capital controls on the construction industry—and I cannot see this dreadful government doing that—at least it could bring in a program similar to the winter works program under which \$500 was allowed to those who built houses in the winter when unemployment usually is high. Such a program could be extended to moderately priced houses. Also, Mr. Speaker, the government could take the sales tax off building materials used in home building. That should be done immediately. If necessary the Minister of Finance could think of increasing the sales tax on materials used in projects such as hotels, motels and shopping centres. We could well do with a pause in that kind of building. If the government would do this the building of houses would be encouraged, particularly the building of moderately priced homes.

I submit that Central Mortgage and Housing Corporation ought to tell builders that mortgages will not be guaranteed where the cost of the lot exceeds a reasonable amount. That would stop the value of lots being bid up to as much as \$10,000 to \$12,000 in cities such as Toronto and Montreal. Also, provinces and municipalities should stop selling raw, unserviced land to speculators who develop land which they have bought for several hundreds of dollars an acre and sell it for several thousand dollars per acre. The provinces and municipalities themselves should develop the land and sell it to builders at a reasonable price. I submit that in this way Central Mortgage and Housing Corporation could use its money and authority effectively. The adoption of such proposals,

[Mr. Orlikow.]

would lead to a solution of the housing problem which has become of crisis proportions.

• (4:10 p.m.)

Before I sit down I wish to pose a couple of questions to the Minister of Labour arising out of remarks made yesterday by his colleague the Minister of Finance. The Minister of Finance said that the government intended to see that Central Mortgage and Housing Corporation placed greater emphasis on projects involving public housing and subsidized housing for elderly people, students, and so on. I should like the hon. gentleman to tell us what he believes the coming year will produce in the way of housing. Is it likely to be the 170,000 units which the Economic Council says we need, or 150,000 or 135,000? It has to be one figure or another. What percentage of this housing will be the kind of housing which the Minister of Finance said last night we needed most? He said—and I agree with him in this—that our need was not confined to the kind of houses which were being built across this country for \$40,000 or \$50,000. What is the percentage in the public sector likely to be? In 1966 it was 4 per cent. Will it be 6 per cent or 10 per cent next year? If the Minister of Finance was speaking seriously the Minister of Labour, who is in charge of housing, must surely know what are the government's intentions for the coming year.

We on this side hope the minister has a better answer to the housing problem than he has given us so far. We hope his contribution to its solution will be more constructive than his announcement last week that the interest rate would be increased to 8½ per cent, a rate which 85 per cent of our people, I would estimate, cannot afford to pay. Incidentally, the minister knows that the real rate on commercial loans for housing is not the figure fixed by C.M.H.C. but a higher rate in the neighbourhood of 8¾ or 9 per cent and that as a result of the greater cost of housing most people will need second mortgages in order to complete their purchases. The rate of interest on second mortgages is 10, 12 or even 15 per cent for people who are good risks. I am afraid to mention the figure which people who are not considered to be good risks are required to pay.

These are some of the problems facing the people of Canada today in the field of housing. I am not talking about those who can afford to pay whatever is required of them. I am not talking about people who can afford to rent apartments for \$250 or \$350 a month