

and the Government advanced twenty-five per cent of the funds at three and a half per cent, this would average a little under five per cent for eighty-five per cent of the equity and leave the balance to be provided by private enterprise, our information is that such a policy would start a large house building program.

The National Construction Council in evidence states that sixty-four per cent of the all-in cost of housing represents labour costs. Therefore, of every \$1,000,000 expended on housing \$640,000 would be spent in wages. Again, it is estimated that twenty-five per cent of the moneys involved in housing costs in England represents moneys which would otherwise have to be spent in maintenance of unemployed tradesmen if the houses were not built. If this comparison be applicable to Canada, it would mean that of each \$1,000,000 expended on house construction \$250,000 thereof would be withdrawn from funds now devoted to relief.

If we start from the principle that the provision of a minimum standard house for every family in the country should be adopted as a national responsibility and such principle be adopted, the question would be: "How can such policy be most cheaply and advantageously financed?" It is submitted that this question must be answered: "By the issue of national funds fully guaranteed, administered in a manner and to the extent deemed necessary and to be determined, and enabling a national housing program to be carried out at the lowest possible rates of interest, with minimum building costs, and with the least possible assistance in the form of subsidy.

Such funds, raised under guarantee at minimum rates, would have the effect of widening the range of houses which could be rented at an economic rent without the assistance of subsidy. This would take place to such an extent that it would reduce the need of subsidy in all but those special cases where taxes are high or land expensive or where the minimum economic rent possible in relation to the capital expenditure involved is beyond the worker's capacity to pay.

If a national housing scheme is to achieve the building of working class houses at an economic rent, due advantage must be taken of such low rates of interest as may be possible or may be arranged.

The lower the rent, the less the risk of loss or default, and less the need for a subsidy. Therefore, to minimize the risk and the need for a subsidy, it is important to keep rents as low as possible, and there is nothing which can do more to keep down costs than a low rate of interest. The lower the rent the larger the number who can afford to pay it, and the smaller the number of those who must be assisted directly or indirectly from public funds to do so.

It is believed that with low interest rates, and control over excessive building costs and excessive prices for land, a very large proportion of the needed houses can be built without the aid of any subsidy. When this is impossible, as for example, where it is essential to build houses on expensive sites, or in cases where incomes of low wage earning groups are such as preclude payment of economic rents, a subsidy of some kind will be unavoidable. One of the important tasks is to provide for the securing of full data respecting the extension of subsidies and the conditions and restrictions which should apply to such grants. In principle, it is undesirable that people should be housed on needlessly expensive sites in the middle of towns since the land, if worth the high price asked, must be in demand and could be used more appropriately for other purposes.

There is no justification for allowing those who can afford economic rents to be housed at less cost to themselves in subsidized houses at the expense of the public purse. Selective tenancy, based on the ability to pay, is essential.

Experience shows, and evidence submitted confirms, that the lowest paid sections of the community cannot afford to pay a rent much less a price, for the standard of accommodation which society must from time to time fix in its own interest as a minimum needful to maintain health and social welfare. Such