

of our institutions have priced themselves out of the market by asking for too much interest on loans. In short, people are just not buying.

The New Democratic party says that no Canadian ought to pay more than 5 per cent or 6 per cent interest on any mortgage loan. If any Canadian must pay more than 5 or 6 per cent on his mortgage we submit the government ought to subsidize the home owner by an amount equal to 50 per cent of the extra interest the home owner has to pay. Such a provision ought to apply to homes up to \$25,000 in value. If a man had to pay 10 per cent on a first mortgage the government would pay half the difference between 6 per cent and 10 per cent, or 2 per cent. Economists say that such a program would cost the government only \$50 million to \$60 million a year, an insignificant amount when we consider the \$1.5 billion we spend on defence every year.

Of course, our high interest rates are in part also caused by our fixed rate of exchange. It is said that high interest rates attract foreign capital to this country. Let me remind you, Mr. Speaker, that very little foreign capital entering Canada is applied to the housing field at the present time. I think it will be conceded by some that we ought to have a floating exchange rate. At any rate, that is our party's position on the question of interest rates.

High land costs have been and still are a significant factor in housing costs in Canada. The policies of this government have encouraged land speculation. At the same time the government ignored the recommendations of the Carter commission with regard to taxing capital gains. When I heard a Conservative member ask the Minister of Finance (Mr. Benson) this afternoon about the possibility of the government introducing a capital gains tax, and say that this was a preposterous idea, I wondered whether he was expressing the opinion of some of the members from Newfoundland and Nova Scotia where there are areas of great poverty. How do those members feel about a capital gains tax? We in the New Democratic party feel it is necessary to propose such a tax in order to cut down on land speculation.

● (4:10 p.m.)

We in the New Democratic party also feel that a land bank is necessary. The government should use huge amounts of money to acquire land and make it available to cities and other municipalities which, in co-operation with their planning departments, would

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be able to establish regular building schemes to take care of their particular needs.

Our party's insistence on the setting up a Crown building corporation is one of the striking features that separates us from the other parties. You will remember, Mr. Speaker, that during the debate on the drug bill one of our main planks was the setting up of a corporation to manufacture a certain number of drugs in order to stimulate a competitive price situation in which Canadians could get drugs at a reasonable cost.

We feel that a Crown building corporation should be established to specialize in senior citizens housing, public housing and research. Very little or no research is being done in the building field at present. We must take government action to set up a research department to incorporate all the new building techniques and materials into a building scheme. Private builders have neither the time, the money nor the inclination to develop this field. To say the least, their attitude with regard to public housing and senior citizens housing has been discouraging. This is why there is a shortage of housing for our low income groups and senior citizens. We propose the immediate establishment of a Crown building corporation to take care of these needs. We do so because it will require a large corporation to assume this responsibility and to get away from the row upon row of strawberry boxes that some builders erect nowadays.

When I read the recommendations of the task force on housing with regard to urban renewal and public housing it made me feel sad to think that a group of people could travel across the country, spend a few days in various cities, and come up with such recommendations. The task force recommended that no public housing projects should be continued until a full study is made of the social, economic and psychological factors involved in public housing. This totally ignores the successful public housing projects that have been undertaken in Great Britain and other European countries.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Is it the pleasure of the house that the hon. member continue?

Some hon. Members: Agreed.