

knows him, he is anonymous. He buys about 10 acres of land. They are subdivided into small lots, not 90 by 120 feet, Mr. Speaker, but small lots. To use popular language or to be on the level of my good friend, the Minister of Agriculture (M. Whelan), I would call that small "pig pens". It is as simple as that. There is nothing, there is no room for a garden or to plant a tree. The money comes from the Central Mortgage and Housing Corporation and that is all that counts. A house is built. Once they have made a good profit, it does not matter whether they rent it or not. Meanwhile, the taxpayers' money invested in housing is being spent in a way that does not meet with our wishes. We have open air, we have room in Canada; our country is one of the largest in the world. There are 20 million people in Canada but there is a craze for building, everybody want to build, one on top of the other, because our financial corporations, including the Central Mortgage and Housing Corporation, are not careful enough as regards the environment in our cities.

Mr. Speaker, I think Bill C-135 is unrealistic. We do not think about what we are doing with the amounts of money coming from the banks, the taxpayers, who invest with the approval of the Central Mortgage and Housing Corporation, in the building of healthy dwellings so that our families may live decently tomorrow and so that a man and a woman may bring up children, if they want to, in a responsible society.

[English]

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, it has always been my conviction that there are four areas in which government has a social responsibility. These four areas are shelter, food, health and education. It seems to me that every human being has a right to adequate shelter, a full stomach, proper health care and education. Of these four, only in the field of education has government in Canada really exercised its social responsibility.

The bill before us deals with housing. And housing is essential. Indeed, it eats up 25 per cent to 30 per cent of family incomes in urban Canada. It has a weight of one-third in the consumer price index, but in fact as much as half the income of low-income families, who are not in public housing, may go in shelter of some form or other. There seems to be a general rule that the "poor pay more," and this rule seems to hold good for housing as well as other commodities. Compared with the average family, the bottom 20 per cent of the income scale spend twice the proportion of their income on shelter.

The disparities are also rather staggering. Not only is there a disparity between middle-income and low-income families; there seems to be a disparity between regions of Canada and indeed between different regions of Ontario. For example, according to figures released recently by CMHC it costs \$5,510 more to build a home in Sudbury than in Hamilton. Construction costs per square foot are higher in Sudbury than in any major urban area of Canada. Costs range from a low of \$15.29 per square foot in Toronto to a high of \$19.51 in Sudbury. Of the 19 Ontario urban areas surveyed by CMHC, five of the seven most expensive areas in which to build are in northern Ontario. So disparities exist not just between low-income and middle-income families but also between regions of

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the country. Regional disparities also reflect the higher cost of shelter.

Mr. Alexander: Try the north.

Mr. Rodriguez: I did. The present housing act is designed for the advantage of the lender, not the consumer. For example, if you are lucky enough to obtain an NHA loan, an inspector will call at least three times during construction to examine the work in progress. There is no guarantee to the purchaser in regard to the quality of materials and workmanship. Also, if a consumer obtains an NHA mortgage loan, he pays a premium of 1 per cent of the total loan which goes into a mortgage insurance fund that is held in trust and managed by CMHC. He pays that, and one may assume it is for his benefit.

Mr. Alexander: What is it for?

Mr. Rodriguez: I will tell the hon. member what it is for. The mortgage insurance fund is for the protection of the lender in case of default. The consumer pays the premium even though the lender holds his mortgage. The *Financial Post* pointed out in October, 1972, that "the mortgage insurance fund is now worth an impressive \$300 million, while claims outstanding against it are only \$10 million". The consumers have certainly paid handsomely to buttress the operations of mortgage lenders.

The premise on which this government and previous ones have legislated has been: more mortgage funds, more housing starts, more suburbs to move into. This formula worked for some but left a large number of Canadians outside the mainstream. The effects began to appear in the 1960's, and it was interesting to see the fiscal legerdemain which the Liberal government in 1966 employed when the mortgage rate was frozen at 6 per cent. The government wanted to remove the mortgage ceiling and used an argument that went something like this: If you remove the ceiling on interest rates, the resulting higher rates would attract more money into the housing field and the greater competition for the consumer's buck would bring down the interest rate. Well, Mr. Speaker, we know what happened following that. There has been a steady upward spiral of interest rates to the detriment, not of the lender, but of low-income Canadians. Middle-income Canadians are now starting to feel the pinch and they are screaming.

By 1970 it was obvious that that formula was based on a number of wrong assumptions. It assumed that housing was primarily an individual matter and that the average family should "go it alone" in the housing market. It is now clear that this thinking has to give way to the pattern of social responsibility and the creation of good communities rather than the mere multiplication of housing.

The flow of mortgage funds was seen as a means of either slowing down or speeding up the economy. New housing starts became the economic thermometer of the nation. The assumptions and practices of the past favoured the lenders rather than the people, who are the ultimate consumers. This situation will not right itself in a system controlled by what is euphemistically termed "the free market forces", until the government turns to a housing policy from the consumer's viewpoint rather than the lender's. Note that the assumptions of the past were all right so long as they favoured people of upper and middle