

*Alleged Failure to Reduce Unemployment*

One may ask what the New Democratic party would do to solve housing problems if it were in a position to do so, and I shall tell hon. members some of the steps we would take. Hon. members will recall that the report of the task force on housing says that the housing needs of most Canadians ought to be met through the private market. The past performance of the private market shows that it can only meet the needs of about two-thirds of our people. The other third cannot buy homes because of high land costs, high material costs and high interest rates. They are left to the four winds of heaven when it comes to housing. Roughly one-third of our population cannot afford houses. We in the New Democratic party say that all Canadians ought to be entitled to houses as a matter of right. Housing is a basic human right, and whether or not a man can afford a house he is entitled to be housed.

We submit that 250,000 new homes ought to be built in 1969 if we are to take care of present needs and the housing shortage which has accumulated throughout previous years. The Economic Council of Canada said in its report that we ought to build 200,000 homes a year, that we need 190,000 homes a year to take care of present needs and 10,000 to replace older homes which need to be torn down. Yet the record of this government in the housing field has not been too good. In 1966 about 134,000 homes were built, in 1967 the figure was 164,000, and in 1968 it was 196,000. It is obvious that Canada has a shortage of approximately 150,000 homes. That is why our target for new homes for this year is 250,000.

The New Democratic party would ensure, through legislative measures if necessary, that a steady flow of money from financial institutions is made available to meet our housing needs. Many financial institutions have not been investing in mortgages but in other fields. The housing report indicates that insurance companies invest 50 per cent of their funds in mortgages, trust and loan companies 60 per cent, banks 3.3 per cent, and pension funds 9 per cent.

Recent statements by insurance companies show they are reluctant and hesitant to invest in mortgages. There is no assurance that they will in fact invest in the mortgage field. We ought to make certain that an adequate proportion of the funds available from financial investment portfolios is applied to the mortgage field. Financial institutions ought to invest more of their funds in mortgages. At

[Mr. Gilbert.]

present 42 per cent of the moneys needed for community investment in housing comes from private financial institutions. Forty per cent of housing costs are met through down payments and other means of private financing, with the government meeting the other 18 per cent. We feel that the contribution of 18 per cent by the government ought to be increased to at least 25 per cent.

The report indicates that the government is satisfied with the 42 per cent supplied by private financial institutions. We are not satisfied with that figure and we do not think that the Minister of Transport (Mr. Hellyer), by exerting gentle persuasion on the financial institutions, can ensure a steady flow of moneys into the mortgage market. I say that because of past performances we have witnessed. The minister invited representatives from a number of private financial institutions to Ottawa not long ago, the idea being to persuade them to invest more money in housing. He did not persuade them and in September had to obtain \$170 million from the Canadian people to invest in housing. Our performance in housebuilding has not resulted from the performance of our financial institutions; it has resulted from government initiative in this field.

The New Democratic party also feels that churches, trade unions and other social organizations should be asked to harness their financial resources to help our nation's human needs. The National Housing Act has performed poorly in supplying homes for our senior citizens. Too little housing falling within the limited dividend category has been built. I am disappointed with the record of the churches. Their contribution toward the financing of homes has been poor. I am also disappointed with the performance of our trade unions in this field. They have made too little money available for housing. All these organizations ought to take a far more active part in this field in the future than they have taken in the past.

Present-day interest rates are nothing less than usurious. Interest rates are determined, apparently, by what the market can bear and not by the supply of money. I recall attending a symposium in Toronto set up by the former minister of labour, Mr. Nicholson. We heard Mr. David Mansen, one-time president of C.M.H.C., say that in this country mortgage money has never been in short supply. He said Canadian financial institutions have money flowing out of their ears. High interest rates have tended to limit borrowing. Many