

*Discussion on Housing*

has thus averaged only about 4 per cent per year, compared with a rate of growth in real Gross National Product well in excess of 6 per cent. This has meant that at a time when the number of new households being formed was rising sharply, the share of total available resources being devoted to the provision of new housing was significantly smaller than in the early 1960's.

Here we have the summary of the precarious situation as far as housing is concerned. According to the annual review this situation became apparent at the beginning of 1966. That is why last year we have repeatedly asked the government to adopt measures and pass legislation likely to put a stop to the situation with which we are faced today.

But, unfortunately, and I emphasize this again, we have a government which waits until a situation deteriorates before it takes positive action.

Of course, Mr. Speaker, there are causes to the present unrest, and those which were put forward during this debate, are the tightening of credit and a complete lack of planning on the part of the government with regard to expenditures.

The review by the Economic Council of Canada is perfectly clear and specific on those two points. And with your permission, I shall refer to page 25 of the economic review with regard to the tightening of credit:

In summary, during periods of tight credit conditions, the supply of and demand for residential mortgages are both subject to considerable pressure. Housing demand, as a result, has tended to contract during periods of strongly rising economic activity and during periods of deliberate monetary restraint, serving to stabilize the overall level of demand in the economy, but at the expense of producing a great deal of instability in the housing sector itself.

Since the 1965 elections, the government has applied a policy of tight money. And that tight money policy has had disastrous consequences, not only in that sector of our economy but also in other sectors of consumer affairs.

That is why, naturally, people without means, the poor, are now having a hard time making ends meet.

Mr. Speaker, planning expenditures, that is one of the main objectives of good administration. A while ago, we heard the member for Winnipeg North (Mr. Orlikow) claim that the Conservative party was not consistent in introducing this amendment, because last year it did not ask the government to limit its expenditures.

Now, as far back as 1965 and even before that, we have continuously been asking the

[Mr. Asselin (Charlevoix).]

government to plan its administrative expenses.

Of course, we have always been in favour of some co-ordination of priorities. When mention was made this afternoon that we were supporting the proposed increase in the old age pension to \$105, that was precisely because we wanted the government to establish priorities in various fields. We were convinced at that time, that the increase in the old age pension was a priority, and I am sure that our well-informed friends opposite also shared our belief in this respect.

• (4:30 p.m.)

We are therefore in favour of planning our expenditures and establishing priorities for certain policies.

In his statement yesterday, the Minister of Finance (Mr. Sharp) implied that he would propose, on behalf of the government, to establish priorities shortly. Well, that is what we want and in 1967, if the economy is to be well understood and the national interest served, it will be necessary in our modern times to give priority to certain pieces of legislation.

In the matter of housing, Mr. Speaker, I feel that priorities should be established. The first that comes to my mind is the setting of a reasonable rate of interest for people in the middle income bracket.

Figures have been quoted in this house, showing the continued escalation of mortgage financing and construction costs.

Yesterday, I was shocked by the figures given by the hon. member for Red Deer (Mr. Thompson). I refer to page 2719 of *Hansard* where he told us that with a \$15,000 mortgage at 8½ per cent for 35 years, the cost of the house will be \$45,000 principal and interest.

I think, Mr. Speaker, that when we pass legislation or report on our policies, it must be done efficiently.

Obviously, we cannot say that increasing the interest rate to 8½ per cent will be an incentive to housing construction in Canada. This may promote competition and encourage financial institutions to increase their investments in this particular sector of our economy. However, for poor people, those who cannot afford it, those who earn less than \$5,000 or \$6,000 a year, for instance, this 8½ per cent rate of interest is totally unacceptable, it is absolutely detrimental to their interests.

I fail to see how the minister's decision to raise the interest to 8½ per cent could help