

*Supply—Labour*

[Translation]

**Mr. Laprise:** Mr. Chairman, while we are dealing with the estimates relating to the National Housing Act, I should like to make a few remarks to the minister responsible for the application of the act and denounce the decision of the government to increase the rate of interest to 8½ per cent of which the minister advised the house yesterday. That rate applies to housing construction and, of course, low-price housing will suffer most from it.

The minister knows full well that housing needs are high in Canada and that they are felt almost exclusively by those who have little or no income: the destitute, the poor, the economically weak as some like to call them. It is therefore especially at that level that the housing problem exists today. Almost every day we read in our newspapers of protests made by building contractors or housing organizations, of provinces, in short, the whole country, against the attitude of the government towards housing generally.

Those people complain mostly about the lack of funds made available for housing projects, because of the increased demand for homes due to the greater number of weddings in Canada. We shall return to that subject later on, because statistics have been submitted to us to that effect.

Therefore, Mr. Chairman, the recent government decision to raise the rate of interest to 8½ per cent will further prevent people from owning their own homes. The previous speaker mentioned some calculations that have been made, and I should also like to deal with the effect of that increase and comment on its results.

That increase to 8½ per cent for a \$15,000 loan over a 15 year period will cost \$31,059.30 in interest only, or a total of over \$46,000 for a house after 35 years. Mr. Chairman, that means that whoever wants to own a home will have to pay twice to the financier who is profiting from this legislation. We, of the Ralliement créditiste are opposed to this state of affairs and will fight it.

A while ago, towards the end of his speech, the minister asked us for suggestions. Yet he has had some coming from all parts of the country, from representatives of building associations as well as from representatives of homeowners associations. My suggestion to the minister this afternoon is to regulate the situation. It is known, for instance, that a man who marries at 30 or 35 years of age—possibly earlier—waits a few years before

[Mr. Scott (Danforth).]

buying a home then he buys a \$15,000 home on a 35-year plan and when his house is paid up, he will be aged 65 or 70. By that time, after 35 years, if he has made no repairs on his house, it will be a slum, it will be obsolete and possibly unfit for occupation. The financial trick is apparent. Through the National Housing Act of 1954, financiers lend money to build such houses. They have no repairs or maintenance to handle, they are taking no risk because of the government guarantee on the one hand and, on the other, there is insurance against fire or loss. So, they will pocket \$31,059 without any risk on the construction of a home, a \$15,000 house.

• (4:50 p.m.)

That is a source of inflation and makes it impossible for most Canadian families to own their own home. When one is a homeowner, one pays rent throughout one's life and, in the end, one realizes that the title is on a worthless house.

The real owners of our residential buildings are the financiers. We bear the financiers no grudge as such, but we want our Canadian families to really own their homes. We want it to be possible for them to have a home of their own, without having to pay the financiers for two other houses.

Mr. Chairman, we are asking the government, the minister responsible for the National Housing Act to use the Bank of Canada to make credit available so that loans can be made available and this credit should be put in circulation without cost except administration.

Every time a new house is built, the credit for the amount it has cost should be put into circulation, free from interest and should not be considered as a debt. And every time a house is destroyed, whether because it is falling to pieces with age or otherwise, the same amount could be withdrawn from circulation, thus avoiding inflationary risks. In my opinion, it is the only way for the minister and the government to settle the housing problem in Canada. I cannot see any other way out. Nobody, so far, has ever suggested any plan or offered any valid answer to this problem except that of using the Bank of Canada, an institution which belongs to us, Canadians, and which ought to lend its services to Canadians who need a house and are entitled thereto.

This is my suggestion to the minister. If he can prove it does not make any sense, I am ready to change my mind, provided he gives