

*National Mortgage Corporation*

plan would require the consent of provinces comprising no less than two-thirds of the population. Therefore, even if we did adopt a proposal for change, it would require the agreement of those provinces.

I sat for three and a half years in the Ontario Legislature. At that time I was interested to hear New Democratic Party Members in the House object to the fact that provincial Governments could borrow from the Canada Pension Plan at less than the going rate. I wonder whether it is the position of the federal New Democrats that the funds should be made available to this National Mortgage Corporation at the going rate or below the going rate. If they believe they should be available at below the going rate, that is inconsistent with what I heard some time ago. If they believe they should be available at the going rate, why then would we borrow the funds from the Canada Pension Plan at all?

The idea of taking funds out of the Canada Pension Plan for any other purpose disturbs me. We know that the provinces borrow from the fund. We know that contributions to the fund have been increased dramatically on the pretext that the fund would run dry some time after the year 2000 if they were not. Many Canadians wonder whether that is accurate or if it is only a case of the provincial Governments wanting to be able to borrow more from the plan.

I believe that far too much is taken from the Canada Pension Plan already. The last thing we should consider is borrowing funds from the plan for any other purpose. I wonder about putting funds from the Canada Pension Plan in a mortgage portfolio. If you or I, Mr. Speaker, were to invest funds for a rainy day in a guaranteed investment certificate, we would get a five-year rate of 9.5 or 9.75 per cent. We would get 1 per cent or 2 per cent more if we invested in a mortgage portfolio because it is a riskier business. Because it is riskier, I do not think the premiums of the Canada Pension Plan should be invested in it.

**Mr. Nickerson:** Now you are talking like a Tory.

**Mr. Boudria:** I am not talking like a Tory. I am talking like a Liberal. The Liberals created the Canada Pension Plan. Although it has imperfections, it is a good plan. However, we should never put those funds in a mortgage portfolio. That is too businesslike, too Tory-like. Perhaps there is a certain *rapprochement* of my colleagues in the two other Parties. However, I do not want to get into that.

The point is that if we decide that we want a National Mortgage Corporation, there are other ways to finance it than with Canada Pension Plan contributions. Those contributions are hard-earned dollars of working Canadians. Those funds should be properly invested for our retirement years. The Member who proposed this motion indicated that the provincial Governments are borrowing from this fund and that perhaps that is not the wisest investment of fund contributions.

When I was in the provincial legislature, the Hon. Member's colleagues there used to say the same thing. They said it was

unfair for the provincial Governments to borrow at lower than competitive rates. If that is unfair, how is it any fairer to take the funds, at lower than competitive rates, and put them in a new National Mortgage Corporation? If the Member does not believe that the funds should be invested in that corporation at less than the going rate, why use funds from the Canada Pension Plan at all? Presumably we could take funds which are available on the open market.

**Mr. Epp (Thunder Bay—Nipigon):** Now you are talking like a banker.

**Mr. Boudria:** No, I am not talking like a banker. I am taking the opposite position. The funds that belong to the people of Canada should not go into a mortgage fund. If those funds are not to be left as they are now but invested in some other way, they should be invested without risk because they are for our senior years. They should not be invested in any way by which they could be lost. I believe there is enough risk in lending the funds to provincial Treasuries at this time, particularly when it is a well known fact that most never intend to repay those funds. We should not take any greater risks with the fund and should leave the Canada Pension Plan as it is to ensure that our senior Canadians have those funds when they need them.

• (1630)

**Mr. Albert Cooper (Peace River):** Mr. Speaker, I am pleased to have an opportunity to speak to the motion put forward by the Hon. Member for Thunder Bay—Nipigon (Mr. Epp). First, my experience in the private sector before coming to the House of Commons was in the area of real estate. I regularly dealt with housing, mortgages and all those things connected with real estate and therefore am quite interested in that part of the motion.

However, the motion also gave me an opportunity to study in more detail the Canada Pension Plan because of the implications on that plan in the Hon. Member's suggestion.

I want to deal with three areas in my remarks today. First, I want to examine the very interesting financial aspects of the Canada Pension Plan. Second, I will talk briefly about federal and provincial jurisdiction over the CPP, and finally, I will speak about some of the implications of putting those funds to other use.

The Hon. Member's motion involves a very interesting concept, and one that I initially found rather appealing. I was tempted to consider the matter further and this led to the research that resulted in some of the information I am giving today.

There is no doubt that housing is very important to Canadians, not only in providing shelter but in providing the economic development that flows from the building of homes. Members will know that when there is building activity in their constituency there are jobs, investment opportunity and a boost to the over-all economy.