

Mortgage Financing

Mr. Basford: They are all members of your party.

Mr. Leggatt: That includes members of all parties in the House. Somebody has made a reference to abortion. I want to say that that describes perfectly both the policies that have been advocated by the Liberal benches and those that have been advocated by the Conservatives. Their policies have really been an abortion in terms of finding a way of providing money to solve this serious social problem.

I must say that in dealing with this problem in Bill C-133, the government came up with something that I did not think was too bad. They did provide a neighbourhood improvement program, items on co-operative housing, something in terms of land assembly, and something in terms of improvement to existing housing. But when it came to the problem of providing money for new housing, their logic has failed. They have gone again to the free market forces to solve a problem that the free market forces have not solved over the past ten years and will not solve over the next ten years.

You will recall that this government decided to appoint the Dennis task force to report on housing. That task force pointed out that about 50 per cent of Canadians cannot afford decent housing. Those groups on welfare and those earning up to about \$6,500 were unable to afford any kind of decent housing. What kind of an answer is this bill to the Dennis report? Admittedly, Bill C-133 went some distance in meeting the recommendations in that report, but in terms of providing money, the key to the housing program, the government has fallen down completely. What has been shown over the past 10 years is that the free market forces cannot solve this problem. However it is appropriate to interfere with the free market when we have a national crisis such as the railway strike, and it is appropriate to force the railway workers back to work at unacceptable terms to them when there is a crisis. I say that what we have is a national crisis in housing and this government has failed to understand that fact. They are much too chickenhearted, and so are my friends to the right, to interfere with their friends, the financial institutions of this country. As I said, the private market forces have failed to solve the problem.

● (1630)

The Dennis Report pointed out that half the people in this country cannot get decent housing. This is the response which the minister made back on June 12, when he introduced this bill. He said:

The over-all effect of these new institutions should be an increase in the supply of private mortgage funds from the capital market. In addition, some relative decrease in the level of mortgage interest rates is anticipated—

I emphasize the words "relative decrease". What is it going to be? Will it be one per cent or two per cent? One of the major problems has been not that there is not enough money for housing for lower income people, but rather the excessive interest rates charged on that money.

Free market forces are not going to drag down the rates of interest. We need the nerve and the guts to interfere with those forces, and require that interest rates for low income and middle income people be fixed by the banks at 6 per cent. Recently when he appeared on television, the

[Mr. Leggatt.]

minister criticized this proposal. At a quick glance I thought this criticism had some validity. The minister argued that if you require banks to lend a certain proportion of their money at 6 per cent for housing, there was no knowing what this would do to other interest rates. He said it would drive up interest rates on the purchase of cars and other consumer goods. This only indicated where his social priorities really are. The social priority we need now is in housing. If the effect of the NDP policy would be to drive up interest rates temporarily on the purchase of these other products, so be it. We have a national housing crisis and this bill will not solve it.

I am not surprised that hon. members to my right—some of them around me are really of the far right—support this bill. This attitude is in tune with their free enterprise philosophy. It will not solve the problem, but neither will it upset their friends in the banking institutions. It is really part of the Tory catechism that we should not interfere with the play of free market forces or we will kill the goose that lays the golden eggs. In terms of low income people there are a lot of eggs being laid around this country, but they are not golden. In fact, they are starting to go rotten.

I am surprised at the reluctance of Conservatives to support us on this bill because here is another golden opportunity for them to demonstrate their concern about the cost of living and the cost of housing. Here is a party which advocates a 90 day freeze on wages and prices. But how much can we believe in that party when it supports a bill like this? How would Conservatives administer the incomes policy they talk about? How would they fix wages and prices in terms of equity to low income people? That is a political rather than an economic decision, and I believe their political decision would be to penalize low income people and reward the rich. That is why this party does not trust in the policy advocated by hon. members to my right. Their position on this bill is philosophically consistent with their policies for years. That is why I cannot support either the Liberals or the Conservatives on this legislation. I extend a welcome to any free thinking Tories who wish to re-examine their position on the bill. The hon. member for Trinity (Mr. Hellyer) is one who has contributed much to debates on housing.

In conclusion, Mr. Speaker, it takes a little nerve to tackle the major financial institutions in Canada, but there is a logic to doing it. If we would only treat housing the way we treat railway workers we would solve the housing problem. We would interfere with the free market. We would have the nerve and the guts to require financial institutions to put a certain percentage of their lending capacity into mortgages at reasonable interest rates. In that way, we would solve the problem.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I wish to take a few moments before the minister rises to reply to say that a society motivated only by a desire for profit is basically immoral. I did not originate that phrase. It is a quotation from the CCF Winnipeg Declaration of 1956, and I thought it a most appropriate one to use in debate on a bill such as this.

I have listened to a number of Conservative members repeatedly talking about inflation and the cost of living, repeatedly talking about controls on wages and prices. I