

Veterans Land Act

vices, has to be rehabilitated with regard to housing in the same way that I was when I got out of the armed services, albeit in 1945-46? His requirement for permanent housing, his entitlement to it, and that is the entitlement of a veteran, is fundamental to the undertaking given by this country to veterans under the veterans charter. That undertaking has not varied one iota and the veteran is entitled to housing for his rehabilitation.

I am not using the word "rehabilitation", in the pejorative sense, as though the veteran had been in a condition that was less than desirable in the sense of a man who has been undergoing punishment and is now being restored to civilian status. It is used in the sense of a veteran who is retiring from the defence forces and is to be habilitated. Surely, his need today is as great as it was from 1945 to 1950. Why was this done from 1945 to 1950? Because there was such a dearth of housing, such a demand for housing, and it was known that the veteran did not have too much cash, so could not meet the market prices of that day.

I invite the minister to cast his mind back to those days because he and I were going through pretty well the same sort of problems, I believe. Certainly, during that period I had this problem. I elected for another option that was open to me, not with regard to housing. Today, we see the veteran who wants to establish himself in civilian life with his family, and what has he got? Certainly not the so-called marginal come-potter-in-the-garden type of agricultural activity that might be carried on in what is known as the Veterans Land Act holding. Beside that, where can he get those lots today, where can they be found?

Since the advances under the Veterans Land Act have to come under some of the same regulations as under CMHC, and there are some very specific stipulations as to such utilities as water and sewers, one cannot go, as we did after world war II, to establish on these strip or ribbon developments in semi-rural areas. So, the veteran today is faced with fantastically escalated land prices. If we say that he has to take the minimum acreage specified under the act, less, in some specific cases, a percentage thereof, he must be almost a millionaire to be able to afford land at that value. I suggest to the minister that that land in an urban context is greater in value than the maximum mortgage allowed under the act. But leaving that aside, let the minister see if he can find a house which would meet all the other requirements.

There are some cases that I have seen where, on a real bargain purchase, the veteran would have been required to put in as cash equity more than he receives under the mortgage. It was a \$35,000 property. I ask the minister to find out just what can be purchased for \$35,000 today, with an effective maximum mortgage of \$15,400 under the act. This means that close to \$20,000 in financing has to be arranged elsewhere, usually in cash, because if the director of the VLA Act knows a veteran is going to secure a second mortgage that is usually the end of his application. Changes like this must be made. I know that my colleague would have wished to put forward an amendment, about which he will speak later, stipulating that all these matters be brought under review at a later date within the period of this extension.

[Mr. Lambert (Edmonton West).]

● (1650)

I have had an opportunity to examine the amendment announced by the hon. member for Winnipeg North Centre and am quite satisfied with it. I wholeheartedly endorse the nature of the amendment, and hope that the bill will receive passage today. I would not want it to go to committee where it could be held up until some time next week, causing further problems.

Mr. Peters: Mr. Chairman, it is unfortunate that the original attempt by the hon. member for Humber-St. George's-St. Barbe, which resulted in this bill, did not embrace the changes that have been outlined by hon. members in other parts of the House. I firmly believe that there has been a major change in the thinking of veterans, of members of the Veterans Affairs Committee, and of the general public in regard to this legislation since the time it was introduced in 1967. At that time we were all of the opinion that the VLA Act, as we knew it, would be phased out, and that this would not be opposed by veterans and their organizations. As a matter of fact it was not opposed by a former minister of veterans affairs who spoke just prior to me. Neither was it opposed by most of the rest of us who were on the standing committee.

As you may remember, Mr. Chairman, in those days changes were being made in the VLA Act which resulted in that act being used to test a system of rural financing that later developed into the Farm Credit Corporation. Up until that time we had the Farm Loan Board, a disgraceful organization, which became completely discredited in the farming community. When the Veterans Land Act was extended to provide assistance to veterans in becoming established farmers, its provisions were so much superior to our other farm legislation that it became the criterion against which all other legislation was measured. I am certain that in so far as its small holdings provisions are concerned it is a model that should be adopted for our national housing legislation.

The main criterion was that the veteran could be established on a piece of land that met his requirements, and in such a way that permanency was guaranteed. In return for permanency, the veteran was given a number of advantages. If we extended that principle to CMHC, the only people who would build houses with the assistance of government money would be those who actually wanted to live in them. Instead, CMHC has lent money all over the country to speculators, to building contractors, and to all sorts of people not interested in occupying the houses themselves. It has lent money to people interested in building houses solely for speculation and for resale.

Somewhat the same system existed in farm land mortgages before the Veterans Land Act came into being, and as a result of the experience gained with it we took most of the officials connected with VLA and put them into the Farm Credit Corporation which became patterned on the VLA. But we did not do this with CMHC. We should have learned our lesson. It is for this reason that I think the country in general should support the extension of the small holdings legislation, and that the provisions of that legislation should also be applied to housing in general, so that the person building a house in return for tenure of