

an Interurban Properties 182 per cent. There is obviously a gold mine here for real estate speculators.

Our party feels strongly on this issue and that is why so many NDP speakers have been on their feet in this debate in direct contrast to the reticence of the usually vocal Tory group which now finds itself in a financial Valhalla. We want to see Canadians properly housed. We want to force financial institutions to make a portion of their huge funds available as mortgage money. We want interest rates for mortgages held at 6 per cent, or, with the permission of the hon. member for Témiscamingue (Mr. Caouette) at 3 per cent.

What we really want, Mr. Speaker, is a little compassion from the government and its allies to my right in order to alleviate the deplorable shortage of housing and the equally deplorable types of accommodation in which so many of our citizens are forced to live. Mr. Speaker, I shall oppose passage of this bill.

**Mr. Terry Grier (Toronto-Lakeshore):** Mr. Speaker, I shall say only a word or two because much of what I might otherwise have said has already been said. I do not wish to take up the time of the House by repeating what has been said already. My principal difficulty in respect of this bill is that for the life of me I cannot see how it will accomplish the objective of producing more residential mortgage funds, presumably at a lower rate of interest. It seems to me the mechanism to be established inevitably will only produce additional mortgage funds—if indeed they are produced—at an interest rate equivalent to or higher than that which now prevails. Otherwise, why would investment funds enter into the residential mortgage market on a voluntary basis unless there is the incentive of increased interest rates. The logic of the government's position seems to be that if it brings more funds into the residential mortgage market that will force the rate down. However, it seems to me one must look at the proposition the other way around. How will more funds become available for residential mortgages if, in fact, the rates go down? They won't.

● (1620)

I do not, for the life of me, see how this bill will succeed in accomplishing the objective of producing residential mortgages at rates that are acceptable to the great majority of Canadians and to people who live in the constituency of Toronto-Lakeshore. As I understand it, the problem today is not a shortage of residential mortgage funds but a shortage of residential mortgage funds at interest rates which make the eventual payment a conceivable proposition. The problem is not mortgage money but rather what one must pay for that mortgage money, the cost that goes into the purchase of the home which puts it well beyond the range of most ordinary Canadians. You can borrow money any day of the week if you are prepared to pay the interest rates. There is no difficulty in finding mortgages and I do not see why we must go through the process of establishing a mechanism to channel more mortgage money into the market if we are not prepared at the same time to take very concrete steps to ensure that the interest rates at which that mortgage money will be lent are at a reasonable level.

### *Mortgage Financing*

I recognize the fact that the government made some moves earlier this year in an attempt to provide assistance to those who desire to own a home through AHOP, which we supported and which we succeeded in having amended in certain important respects. I can see that that is a step in the direction of making it easier for ordinary working Canadians to own a house. But I wonder how many Canadians today really are aware of the benefits that may be available under that program. I wonder how extensively and assiduously that program is being advertised. Second, how many people will be able to qualify given the relationship between the cost of houses in a city like Toronto and the income of the applicants. I must recognize, as indeed the government must recognize, that the interest rate being envisaged under that program, although lower than the prevailing rates, is still in the range of 8 per cent and above.

In a riding like my own, if I may be parochial for a moment, the matter of mortgages at reasonable interest rates is the very key to the survival and maintenance of the sense of community which has prevailed in that part of Toronto for many years. There is almost no land for new housing in Toronto-Lakeshore. What housing changes hands is older housing, and I welcomed and supported AHOP because I hoped it would make it easier for younger families who have grown up in the community to buy a house in that community, to stay there and to provide the next generation of leadership which every community requires if it is to prosper.

But AHOP is not enough, and the kind of proposal that was put forward last week by the hon. member for Oshawa-Whitby (Mr. Broadbent) which calls on the government to impose upon the chartered banks—and let us not back away from that term—a regimen which should see them allocating a certain amount of funds each year toward mortgages at an interest rate not to exceed 6 per cent, is essential for the preservation of many of the older communities in our urban areas. I have no doubt that it has equal benefits in other parts of the country, but to my riding its benefit lies in the fact that it would enable us to preserve what is good and to avoid what all too often appears to be the inexorable tendency of these communities to go to high-rise, to concrete filing cabinets, as they were referred to by my colleague, the hon. member for Burnaby-Seymour (Mr. Nelson).

I cannot find any basis in this bill that would warrant my support for it. For these two reasons, first, that it will not succeed in any significant degree in making mortgages with reasonable interest rates available to Canada, and second, that the absence of that kind of provision gives little or no benefit to the kind of constituency I represent and that many other members in this chamber represent, I feel it is largely a hoax. The bill is an elaborate paper mechanism which, I am quite certain, will succeed in providing little or no benefit to ordinary Canadians in the housing market.

**Mr. Stuart Leggatt (New Westminster):** Mr. Speaker, I rise somewhat reluctantly to discuss the subject of this bill, because I do not happen to know too much about housing. However, that does not seem to have prevented many members from speaking so I thought I had better make some kind of contribution.