National Housing Act

A comparison of that press release of last March with the statement of purpose as given to the house this evening by the minister would indicate that the minister has adopted holus-bolus the policy of the National House Builders Association. The provisions which are to be contained in the new housing act are the provisions the president of that institution asked back in March of 1953 to be incorporated in the housing act.

In other words the government is simply following in the measure to be introduced the same line of policy it has been following since the inauguration of Central Mortgage and Housing Corporation, and that is to make house building profitable for private enterprise. The government's concern has been first, foremost, and all the time with the security and profits of the lending institutions and the private builders, and not with the needs of the Canadian people.

The proposed legislation is probably as good as anything we can expect from the present Liberal government or, for that matter, from any other government so completely wedded to private enterprise in the matter of housing. What I have said, and what other members of this group have said time and again in the house, is that today housing in Canada is a social problem. Today it is no longer a field in which private enterprise should be left free to make profit. The provision of homes for those in the lower income brackets is just as much a social responsibility of a government as is the provision of schools and hospitals, or the provision of pure water on a community basis.

The sooner the government realizes that houses can be provided for those in the lower income brackets only with government assistance and government subsidy, the better. Only when that is done are we going to be able to provide those in the lower income brackets, who are by far the greatest number of people who need them, with houses.

All this bill does is enable associations such as the National House Builders Association and others interested in exploiting the needs of the Canadian people for homes to make more profit. Their interest is certainly to build houses for profit, and this new legislation will be used to induce more and more people to buy those houses, to move into them and to undertake larger mortgages over a longer period of time. There will be some just below that $3,500 income level who will be induced to buy some of the houses that will be built and sold under the terms of this new legislation. They will be induced to accept higher mortgages, higher interest rates and longer periods for repayment. In other words they will burden themselves for a longer period; they will undertake to pay for these things at a time of prosperity and probably find that when a recession comes they will lose everything they have put into those buildings.

The point is that the whole object of this legislation is to enable lending institutions, including the banks, to put money into housing with greater security and less risk, to try to induce a larger number of people to buy these houses which will be sold at a profit by private builders. It does not touch the problem that faces the great mass of people who come within the $3,000 income brackets, and even less. It provides security for the banker. It insures him against loss. There is no insurance for the workingman who buys one of these houses, who undertakes a mortgage greater than he will be able to carry over the years, and who in all probability stands to lose what savings he puts into them. All this legislation does is indicate that the government is selling out what little interest it had in housing to the lending institutions.

The government's main concern here is the security of the lending institutions and not the provision of homes for those who need them. We made a suggestion back on April 21. I put on the record six points which will be found at page 4161 of *Hansard*. In our opinion these six points would meet the needs of the Canadian people for a housing program. First among these was a lower interest rate. I said:

> In our opinion a policy that is to meet the needs of the Canadian people regarding housing must, first of all, provide a reduction in interest rates to 2 per cent by having Central Mortgage and Housing Corporation solely responsible for the issuing of these loans.

This legislation, instead of decreasing interest rates, will increase them for the home owner. I pointed out then, and I want to reiterate it now, that expert opinion has shown that a reduction by 50 per cent in the interest rate on a mortgage will do more to reduce the carrying charges on a home than a 50 per cent reduction in wages and material used in that house. If we want to make houses cheaper, if we want to bring houses within the reach of the mass of Canadian people, we must first of all tackle that interest rate and do as other countries are doing which are seriously attacking this problem, and that is advance government money at the actual cost to the government of about 2 per cent interest. If you do that, then you will automatically reduce the cost of the house and the carrying charges on