

shameful that this country should permit such housing conditions to exist in 1973.

Bad as the conditions are in Winnipeg, they are infinitely worse outside Winnipeg. In the reserve less than 100 miles from Winnipeg there are houses and living conditions the like of which I would not have believed existed anywhere in Canada today. This bill will do absolutely nothing for those whose need for better houses is greater than anybody else's in this country.

This bill will encourage financial institutions to pump more money into Toronto, Vancouver, Calgary, Winnipeg and Montreal, cities which are growing and which have benefited more than other parts of Canada from the housing boom for the middle and upper income citizens which has gone on ever since the end of World War II. This bill will probably do nothing for Quebec, except that possibly it will help the people of Montreal. It will do nothing for the Maritimes and nothing for Newfoundland. Those areas are at the bottom of the totem pole, where people get little or nothing. That has been their lot for many years.

We have said, and will continue to say, that instead of giving further financial inducements to the companies which have failed miserably until now to meet the needs of Canadians, we ought to establish within the Department of Urban Affairs a central mortgage fund section which would direct federally chartered lending institutions to allocate capital which is provided to them at the prime bank lending rate for housing. These funds ought to be directed according to the housing priorities established by the Department of Urban Affairs.

I, for one, am not prepared to leave it to the financial institutions, land developers, housing builders and others to provide the houses that are necessary. I do not blame them for what they are doing. We live under the kind of system which says that every person who lives by the law is entitled to maximize his profits, so I do not blame them at all. I blame the government of Canada and the parliament of Canada for letting them do this and encouraging them to do it.

By introducing this bill we are telling them, "You have not made enough money. We are giving you a licence to steal more, to rip-off more from the people of Canada." That is what this bill does, and that is why we object to it. We are saying to the minister—and it is hard for me to say anything nice about this minister—that we want the Department of Urban Affairs to decide where the money which is to be spent on housing in the next year, two or three shall be spent; that is, in what parts of the country it shall be spent and in what cities, and how much shall be spent in rural areas. These are not decisions I am prepared to leave to the private sector of our economy. We know what the private sector has done until now. It has ignored the needs and priorities of the people of Canada.

For that reason we suggest this bill is wrong. It is the wrong bill, introduced at the wrong time and will lead to the same kind of wrong solutions which we have experienced until now. For these reasons we urge the minister, even at this late date, to reconsider this matter and take the kinds of steps which we have proposed.

An hon. Member: You want the minister to listen to you.

Mortgage Financing Bill

Mr. Orlikow: Perhaps what I have said is not so important. I merely ask the minister to look again at the proposals which were made by the task force. This government appointed it. I am referring to the proposals which were made about mortgage funding, land acquisition and public housing. Surely the previous minister had some confidence in the ability of the members of the task force or he would not have appointed them.

I suggest, in closing, that the minister withdraw this bill and that he give serious consideration to proposals made regarding all aspects of housing by Professor Dennis and the group which worked with him. Let the minister return to parliament with a housing policy which we need. Let him not say that in the next four or five years "X" hundreds of thousands of houses will be built. Instead, let him say that we shall build all the houses that are needed by the people and in the places where they are needed. Let us do this, instead of building houses for people who can afford to pay for better homes than those they now occupy but which to a large extent they do not need.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, Bill C-135, which would establish more rip-off institutions, perhaps, in the field of housing is a bill which I feel sincerely will not help the people of my constituency which basically is a rural-urban Saskatchewan riding. Most of our families earn low or middle incomes.

The bill before us would establish two institutions, a mortgage investment corporation and a federal mortgage exchange corporation. Perhaps, according to the traditional economic approach, it will make more funds available for mortgages in this country and will make funds more liquid. However, it will do nothing to make funds available to people in this country who really need homes, those who live on low or moderate incomes. Further, the minister, by introducing this bill, is doing absolutely nothing to bring down interest rates or to subsidize interest rates for people in need. I am not sure that more funds are really to be made available for housing even with interest rates as they are now.

● (2030)

About five or six days ago the Minister of Finance (Mr. Turner) said in this House that he had received assurances from the banks that there are enough funds available for mortgage and housing purposes in Canada at an interest rate of 10 per cent. Today the minister is arguing that by making more funds available, interest rates will come down and therefore there will be more incentive to build houses in this country. That has always been the traditional approach to economics in this country by the Liberal and the Conservative parties. I maintain that type of approach will not work in the world economy we find ourselves in, with spiralling interest rates not only in Canada and the United States but in the entire western world.

We will not solve these problems unless we have foreign exchange controls and the guts and the gumption to actually control interest rates. The banks and financial institutions must be told to allocate so much of their capital each year to invest in housing at a fixed interest rate of 6 per cent. That is what our party is calling for with regard to residential mortgages and home building in Canada. I