

disputes. They have also imposed a ten-year coverage against major structural damage and there is insurance to protect the buyer if the builder should go bankrupt.

What does the government of Canada do through CMHC? Nothing. What is the practice in the United States, Mr. Speaker? Under HUD, the Housing and Urban Development Program, guarantees are built into the federal housing act whereby the government has power to pay for repairs if they are necessary because of defective work and materials and to deduct those moneys or recover those moneys from the builder. In Canada, there is the Housing and Urban Development Association which is comprised of the builders. The best they can do is to give a one-year contract which is worded in a manner which makes it virtually impossible to take them to court.

Surely, Mr. Speaker, the time has come when the CMHC should give leadership with regard to this important problem. May I remind you that for years CMHC has insured the loans given out by them. They have insured them with regard to any default by the purchaser and if a financial institution suffers a loss as a result, it can be reimbursed out of the fund. It is really the purchaser who reimburses them, Mr. Speaker, because he has to pay one per cent of the loan by way of an insurance fee. At the moment, there are over \$300 million in the reserve fund of CMHC to cover this. Surely, they could set up an insurance scheme whereby prospective purchasers would be protected against defective workmanship and material in cases of loans given by approved lenders and direct loans by CMHC. This is the least they could do. This is the leadership they must give and I would ask the minister this afternoon to assure the home purchasers in Canada that they have some protection.

We have dealt many times with the question of high interest rates. In the New Democratic Party we feel that the highest interest rate that should be charged on a mortgage in Canada at the moment is 6 per cent. The financial institutions of this country have a social responsibility to meet this requirement. Under the financing mechanism of the bill that is expected in the near future, an adequate flow of money will only be assured if the insurance companies and financial institutions receive at least 10 per cent.

We have said many times that the land bank assembly plan is necessary. When we were discussing estimates, I asked the minister how much money CMHC had set aside for this proposal and he said not one cent. This is one of the main problems involved in the high cost of land today. Is it any wonder that most of us have become disgusted with the performance of this government? I hope that the people of Canada in the next election will see clearly the extent of—

Mr. Basford: Thirty million.

Mr. Gilbert:—their non-performance and throw the rascals out.

[Translation]

Mr. Réal Caouette (Témiscamingué): Mr. Speaker, the motion before us today has been moved by a member of the official opposition, the hon. member for Halifax-East Hants (Mr. McCleave) and it reads as follows:

Housing Prices

This House regrets that the government has failed to take measures which would provide all citizens with decent housing at reasonable prices.

It contains, as usual, pious wishes. The present housing situation did not arise yesterday; actually, it has always existed.

• (1420)

Thirty years ago, we were faced with a housing problem in Canada. Such problems existed during the economic crisis that raged from 1929 to 1939. Indeed, some people were living in shacks. This means therefore that the housing problem is not new.

The hon. member for Halifax-East Hants stated that the only difference between him and the minister was that if he were in his place, the situation would be improved forthwith. And yet, he does not know precisely the minister's intentions in this respect. He also said he was very much concerned to note that the Bank of Canada was easing credit more than usual which could pave the way for more inflation.

Mr. Speaker, it is obvious that if we want to guarantee a house to every citizen, it will be necessary to turn to some form of credits. At the moment, we make use of the credit facilities of finance companies, of insurance companies, of the CMHC, of chartered banks and, often enough, of Caisses Populaires and Credit Unions. And we complain that there are not enough dwellings for the very reason that there is not yet enough credit available.

In order to show that the situation referred to is not new, may I recall that when I was first elected to the House in 1946, the Prime Minister was the right hon. William Lyon Mackenzie King, to whom the right hon. Louis St-Laurent succeeded. We had as leader of the opposition Mr. Bracken, whose successor was Mr. Drew. Thereafter, we had the right hon. Lester B. Pearson as Prime Minister of Canada. Today, we have as Prime Minister the right hon. member for Mount Royal (Mr. Trudeau). As leader of the opposition we have had the right hon. member for Prince Albert (Mr. Diefenbaker) who was replaced by the present leader of the official opposition (Mr. Stanfield). And in 1962, when we entered the House, the Housing problem existed already. Please note that from 1958 to 1962, the country was administered by the strongest government ever in office in Canada after Confederation. In fact, the Progressive Conservative party elected 208 members out of a total of 264. At the time, nevertheless, we had to struggle with housing problems.

I remember having heard the Liberal Party, on the opposition side with us, request from the Progressive Conservative ministers remedies to the housing problems. However, despite the overwhelming power of the government at the time, it was unable to solve those problems, with the result that today we still have to face them.

After 10 years of administration and research dissension can be found almost everywhere across Canada. One province wants one plan and another province wants another plan. The province of Quebec has intervened directly in the housing field because it wanted to have its own housing department and to finance construction.