

Mortgage Financing

the population, without creating, as I said before, a parallel corporation.

If the government really intends and wishes to help middle Canadians to become homeowners, it should act differently than at present. Let it act in a way that will free the middle Canadian from the claws of finance, by allowing him to have access to credit through a federal body which is called Central Mortgage and Housing Corporation, which will lend him at an interest rate covering administrative costs. This will allow more Canadians to own their own home.

[*English*]

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, I should like to join my colleagues in speaking against the bill that is before us today, Bill C-135, that Frankenstein monster dreamed up by this government presumably to make more funds available for mortgages in Canada. It is a bill which may be very comforting to large lending institutions, but it is extremely cold comfort to anyone who is faced with the problem of buying a house. This bill is, of course, supported both by the government and that humane, socialistically inclined group of great Canadians, the official opposition. This is the opposition group that has been shouting "wage and price controls, fight inflation". We already have wage controls, as any worker will tell you.

● (1610)

I started work at the age of 13 and this job is the first one for which I did not have to negotiate a wage or a salary. My wages have been controlled as the wages of most workers are. This is the opposition group that poses as the champion of the people in the battle against rising costs, but it does not want to control interest rates. Wages, yes, but not interest. This is the same opposition group, moreover, that supported tax reductions for corporations and now supports inflated interest rates which would benefit mainly the private sector by providing \$400 million of the taxpayers' money, \$100 million of it in share capital and a maximum of \$300 million as loans to the corporation that will be set up to create a gambling pool for speculators in housing. It will, as I understand it, be a private corporation. It is the people of Canada who will suffer being forced to pay exorbitant interest rates for whatever sort of shelter they might try to buy.

The people who will be hit hardest, of course, are those who are in the low income bracket. The hon. member for Skeena (Mr. Howard) covered this aspect of the problem last night when he graphically described the plight of our native population and that of low income groups in some of the have-not provinces. Next week, Mr. Speaker, I will be proposing the toast at the wedding of a young couple in Vancouver. I cannot help but wonder what chance this couple will have of ever owning their own home. Certainly, they cannot buy one at today's inflated prices. Their only alternative is to move into a high-rise apartment and spend the rest of their married life in these modern, ugly filing cabinets that are so rapidly replacing single home dwellings, or they might be lucky and find a dingy basement suite.

Mr. Speaker, 28 years ago I made a down payment of \$1,500 on a small home, a payment that was made possible

[Mr. Caouette (Témiscamingue).]

only because I had been left a legacy in that amount. I wanted to pay more, but when I went to the bank at which I had been dealing for ten years—I needed \$500 more and for security I had a job appointment slip for my first job of teaching—the bank would not lend me a cent without security amounting to at least \$500. Well, if I had had the \$500 I would not have had to borrow it. It was tough enough then to borrow money even at 4 per cent, let alone now at 10 per cent. Later, I bought a house with \$15,000 down and a mortgage of 5½ per cent. Twenty years later that mortgage is still not paid off even at 5½ per cent. And I am trapped in an area, which has become noisy with heavy traffic and crowded with residential congestion, because in order to move I would have to obtain a mortgage at 10 per cent or cash to escape the usurers.

I mention my own experience to illustrate the extent to which our residential population has become immobile simply because people cannot afford to move out of the houses in which they are living. This heartless and cynical bill treats housing as a commodity to be treated in the market place for profit. It ignores the government's social responsibility to provide every Canadian citizen with a decent roof over his head at a reasonable cost. Like the hon. member for Skeena, I wish that the authors of this bill and its supporters would knock at the doors of the people in this country who are forced to live in substandard housing because of the inflated prices caused by greedy speculators. They would not even have to go as far north as my hon. friend has suggested. They could come to my riding to feast their eyes on the results of their philosophy in some of the poorer sections of the riding. I have lived, worked and travelled in the north country and I can vouch for the validity of the description given by the hon. member for Skeena of housing conditions that are to be found there, but I am also aware of conditions in every large city in this country.

There is no doubt about the position of our constituents, if my own riding of Burnaby-Seymour is any criteria and I think it is since it contains a good cross-section of people both economically and politically. On the basis of 752 responses to the question, "Do you think that the interest rates on mortgage money for housing should be strictly controlled by a government agency?", 571 replied with a resounding "yes" as compared to 182 who said "no". Asked if they thought that mortgage interest rates should be determined by "the free play of market forces"—that favourite phrase of the Minister of Finance (Mr. Turner) and his Tory bedmates—512 respondents said "no" and only 201 said "yes". The public, Mr. Speaker, is not stupid. People recognize simple, social justice. They recognize also a rip-off when there is one and perhaps that is why, in the same questionnaire—summarized only yesterday—they replied to the question, "Which party has done the best job in the House so far?" in this way: NDP 322, Liberal 159, Tory 53.

If they were aware of the profit figures for real estate institutions for the first half of 1973 they would no doubt be even more definite in their replies. Here are some of those profit increases from the corresponding period the previous year: Cadillac Development Corporation 45 per cent, Campeau 65 per cent; Monarch Investment 110 per cent, Marlborough Properties Limited 284 per cent—and this was a bad year for Marlborough Properties—Canadi-