

Mortgage Financing

the setting up of the companies does nothing to ensure that an adequate supply of the moneys that are collected will be applied to rural housing. The hon. member for Peel South shed tears for people in northern Ontario, and spoke about the problems which they had in obtaining mortgage money for the purchase of a house. I agree with him and I might add that this situation applies not only to people in northern Ontario but also to people in Quebec and the Maritimes. The way to solve that problem is by making sure that the mortgage investment companies provide an adequate amount of money for new and existing dwellings in rural areas. Falling short of that, this bill is totally hopeless.

The fourth reason we oppose the bill is the fact that the mortgage investment companies would not meet the housing needs in areas of regional disparity. Again, it is areas such as Quebec, the Maritimes, Newfoundland and parts of Ontario which need those moneys. There is no assurance that those moneys will flow to these areas. The government must ensure an adequate regional distribution of mortgage funds within the over-all national allotment. If we are to permit the mortgage investment companies to distribute funds on a national basis, they will do it in the areas where the investment is most attractive. They will not touch areas, such as some of the rural areas in Quebec, the Maritimes and Ontario where people will be denied the mortgage moneys which should be allotted to them.

The fifth reason is that the mortgage investment companies will not help the special housing needs of Canada's Indian, Eskimo and Metis people. On the news this morning, I heard that a representative of the Indian people appeared yesterday before the Minister of State for Urban Affairs (Mr. Basford) and made a special plea with regard to the housing needs of the Indian people across the country. He painted a very sad picture of some of the houses in which these people live. I am sure that the Minister of Indian Affairs and Northern Development (Mr. Chrétien) could reiterate what the hon. member said yesterday concerning the living conditions of Indians across the country. But Bill C-135 does nothing to help these people. The minister might glibly say that help was given them under Bill C-133. The token moneys under the provisions set down in Bill C-133 do not begin to meet the special needs of the Indian, Eskimo and Métis people. To depend on mortgage investment companies to make any allotment of the moneys that they collect to these special groups is really doing them an injustice and a disservice. I hope that the Minister of Indian Affairs and Northern Development will use his good offices to persuade the Minister of State for Urban Affairs to ensure the allotment of moneys by mortgage investment companies to these special groups.

The sixth criticism that we have is that the mortgage investment companies will do little or nothing to assist the middle or low income people who do not qualify under AHOP, which is the Assisted Home Ownership Program, or RRAP, which is the Residential Rehabilitation Assistance Program, to buy or to rehabilitate and repair these homes. We will have a group of people who do not qualify under Bill C-133 and who will not receive any of the benefits under Bill C-135. It seems to me to be a hardship and a cruel hoax to tell people that their mortgage financ-

[Mr. Gilbert.]

ing will be improved when people in these special groups are not taken care of.

The eighth criticism is that the mortgage investment companies will be authorized to make residential and non-residential estate debt in equity investments. What does that mean? It means that not only must they invest in homes but they can invest in non-residential real estate, in other words in office buildings. One does not have to be an expert in the mortgage investment field to know that they will participate to a large extent in investment in the new office buildings that have been erected and the reason is the attractiveness of the high return on investment in office buildings, far higher than on houses. If there is one reason that this bill should be thrown aside it is this particular provision permitting these companies to invest in non-residential real estate.

I was rather proud and pleased when the hon. member for Peel South said that the NDP had a convention in Vancouver a short while ago and at that convention we set forth our philosophy and our objectives. We said that every Canadian is entitled to clean, warm shelter at a reasonable cost as a basic human right. We say that the financial institutions of this country have a social responsibility when they collect funds from Canadians to see that those Canadians are properly housed. Therefore, we would impose upon the financial institutions across the country an allocation of the moneys that they receive to cover the national housing commitments in this country, and the commitments can best be devised and set forth by the different provinces and municipalities and then conveyed to the Minister of State for Urban Affairs.

We did say that interest rates on mortgages across Canada should be 6 per cent. The hon. member for Peel South said that perhaps we should have said that they should be 4 per cent or 2 per cent. If members of the Conservative party and the Liberal party would agree to changing the interest rates on mortgages in Canada and setting them at 4 per cent or at 2 per cent, they will get the full support of the NDP. When we talk about 6 per cent, even we in the NDP feel uneasy about that interest rate. When I started in the practice of law about 20 years ago I can recall interest rates being at 4 per cent and 5 per cent. There has been a gradual acceleration until now when interest rates are probably the highest that are paid throughout the western world. It is not something of which we Canadians should be proud.

● (1630)

When I heard the hon. member for Peel South saying that mortgage investments must be mobile and more flexible so that they may become more competitive, he reminded me of the arguments I heard in the past, from Liberals and Conservatives, when changes were made. All this does is increase the competition among the financial institutions. It does nothing to reduce the cost of mortgage financing. Surely, that should be the aim and the desire of all Canadians.

We should be demonstrating our concern with respect to housing. There should not be greed and avarice with regard to mortgage investments. I hope that the consciences of all members and all Canadians have been struck by what I have said that housing should be on an