

Suggested Interest-free Loans

an elected and responsible government is to run the public affairs to suit the people, as long as this is desirable and physically possible.

In addition, what is physically workable must be made financially feasible. This means that if schools are a must to house young Canadian students, and if workers and materials are available to build them, the financial world must then bring itself in line with facts. I suggest that finance must be a reflection of the state of the economy. If money is needed to build those schools, then the necessary credits must be released automatically.

I would like to tell hon. members once more that as money is a creation of man, it should serve him and not enslave him, being only an element of exchange between human beings, for which purpose it was created. It has no other justification.

Mr. Speaker, the needs of the Canadian people are constantly increasing in various fields of economic and social life.

If you examine the housing problem, you realize that in spite of the population's urgent needs the rate of construction is increasingly slower, which will certainly not help to solve the housing problem in Canada.

The Hellyer Commission, for instance, and all recent reports on housing show that Canada should devote more funds to housing. Referring to working papers submitted at the provincial conference on housing and urban development in 1967, I see that of all the major sections of the economy, housing is the one where it will be most necessary to increase productivity, at least into the seventies, and perhaps even to the end of the decade. It is a major problem for the country as a whole since it involves seeing to it that the increasing shortage of housing does not become a real national problem. It will therefore be imperative to considerably increase present available resources, including skilled manpower and capital in the field of residential construction. It will be necessary to provide a considerable and sustained volume of mortgage loans.

• (5:00 p.m.)

That is what the report suggests, Mr. Speaker. Now what do we find? We find that residential construction decreases, that mortgage loans are almost unavailable, or if they are available, their interest rates are very

[Mr. Beaudoin.]

high, and thus prohibitive. Construction decreases, and the problem worsens from day to day.

Another problem is directly facing municipalities; urbanization. We now witness a concentration of population in the great urban centres, which is an almost insuperable challenge for municipal governments.

Municipalities have to meet the new requirements of the people, of traffic, transportation, water and sewage facilities, control of water and air pollution, and land use.

This implies, in a given area, an effort in respect of synthesis, co-ordination and planning at the urban, metropolitan, regional, provincial and national levels.

Because of those needs, cities have to resort increasingly to experts in all fields able to attack the complicated problems created by that urbanization. Therefore education is involved. In order to train such experts, specialists, technicians and engineers, educational systems are in need of reform. School boards also need more financial resources to build modern and well equipped schools; they must have better trained teachers and be able to pay them.

Now, all Canadian cities are faced with financial problems. For municipalities, there is an ever increasing gap between revenues and expenditures. They can no longer balance their budget and must always resort to borrowing. Their most important budget item is usually the debt service.

At this stage of my speech, I would like to quote a few statistics so that the House will know the percentage of municipal budget earmarked for interest payments. I have here the 1967-68 financial statement covering about 200 municipalities in Quebec. Checking these figures, one can easily see that the older the city the higher the percentage of its budget allocated to the payment of interests on its debt.

Thus, the municipality of Bagotville in the Saguenay-Lac Saint-Jean area, during the fiscal year 1967-68, paid \$49,633 in interest charges on its debt, that is 8.9 per cent of its total budget of \$557,250.

As for the relatively new municipalities, they earmark not more than 20 per cent of their total budget to the payment of the interest costs. The cities of Roberval, La Tuque, Rouyn, Aylmer, Touraine, Westmount and many others are in this situation.

Mr. Speaker, I find it rather strange to consider as fortunate the municipalities which