

*National Housing Act*

These companies have been playing a cat and mouse game with the government. Instead of ensuring a steady flow of money into the mortgage market, they have held back and refused to participate or have invested in other fields that give them higher yields. We all recall the experience of the former minister of transport in charge of housing last August when he called to Ottawa the representatives of the insurance companies, trust companies and banks and explained to them the problem being encountered in regard to mortgage financing. They refused to increase the flow of mortgage money and in September, when we returned to Ottawa, what happened? We had to put \$170 million, which could have been used for public and senior citizen housing, into the mortgage field. I mention this to illustrate the performance of some insurance companies. The annual C.M.H.C. report for 1968 indicates that the volume of mortgage money made available by insurance companies in 1968 declined from the total made available in 1967. The insurance companies also practice the trick of putting their money into equities. They would sooner do that than put money into mortgages. That shows how necessary it is for us to obtain commitments from financial institutions for mortgage moneys. We can do this by persuasion or, if necessary, by legislation. They ought to set aside, out of sums they can invest, money which can be made available for mortgages. After all, whose money do insurance companies collect? Their money comes from the premiums paid by ordinary Canadians. There is an obligation, therefore, on our insurance companies to see that sufficient mortgage money flows to the mortgage market and that there is no shortage of mortgage money.

• (4:40 p.m.)

I was impressed by a statement made by the president of C.M.H.C. In a report he said that the all absorbing problem facing many in this country during 1969 has been the problem of lack of mortgages. He realizes, as I hope the new minister realizes, how necessary it is to impose lending obligations on our financial institutions in order that those institutions can fulfil their obligations to all Canadians.

When I heard that maximum mortgage repayment periods were to be extended from 35 to 40 years, I was at once reminded that most C.M.H.C. mortgages run for 25 years. Now, we are to extend the term to 40 years. Can you imagine what that will do to the

[Mr. Gilbert.]

average Canadian, Mr. Speaker? He is ready to buy a house by the time he is 25 or 30. By then he is married and probably has a couple of children. During his 30's, when he has many expenses and is buying a home and trying to raise a couple of kids, he faces the prospect of a 40 year mortgage. He will be 70 by the time it is paid off. Is that not a great performance on the part of the government?

**Mr. Knowles (Winnipeg North Centre):** That is where I come in, with pensions.

**Mr. Givens:** It is an open mortgage.

**Mr. Gilbert:** The hon. member for York West (Mr. Givens) says it is an open mortgage. I hope he realizes how heavy will be the mortgage payments with present high interest rates. The homeowner will be repaying his loan for 40 years. When he is 60 or 65 years of age his income will decline but he will still have to maintain high, fixed mortgage payments. That is the sort of thing our financial institutions have persuaded the government to countenance.

I see that the regulations are to be changed and that mortgages can now be renewed every 5 years. It is not the borrower who has asked for these changes; it is the financial institutions which want to take advantage of rising interest rates to screw even tighter the financial vise. They want mortgages to be drawn on their terms. They do not put people first but profits first, and for that they should be roundly condemned.

The government has failed to give leadership in the field of housing. All the same, I should like to see the minister without portfolio who is responsible for housing elevated to the position of a full minister. I suppose he would be the minister of housing. After all, to argue that you are saving Canadian taxpayers \$8,000 a year by calling him a minister without portfolio is not fair to the minister. I say he is entitled to a ministry.

**Mr. Alexander:** That is right.

**Mr. Gilbert:** I wish the minister had brought forward a proper housing program and included in that an appropriate housing mix. Special emphasis ought to have been paid to low income families. That was not done. Instead, the government has hidden behind the constitution and has given no comfort to those without homes.

**Mr. Bigg:** I agree with that, Mr. Speaker.