

Housing

the hon. member for Capilano talked about. With the philosophy of this bill, the government cannot provide the money which starts the machine going.

Just to make certain that everyone in the country understands what I mean when I say that the minister got hosed, I am going to read to him, not from the bill before the House, Bill C-89, the National Housing Act, but rather I will read two sections in the previous bill, Bill C-88. I am going to read the first section rapidly because it is pretty well known and not relevant to the point I am making. Under Amendment 12 at page four of the bill, the Farm Credit Act, it reads:

At the request of the corporation the Minister of Finance may, with the approval of the governor in council, pay to the corporation, out of the Consolidated Revenue Fund, amounts not exceeding in the aggregate two hundred and twenty-five million dollars—

I will stop there. That is the capital structure of the Farm Credit Corporation. What is not mentioned is that once you give the extra \$75 million, from \$150 million up to \$225 million, as capital into the Farm Credit Corporation, that corporation can turn around and lend to farmers 25 times the amount of capital it has. Therefore, the extra \$75 million that is allowed under Bill C-88 in theory allows the Farm Credit Corporation to lend about \$3.5 billion more to agriculture.

As I say, that is in theory. The fact is that the Farm Credit Corporation under the old terms of the act would have to get the money from the government. Since the government does not have it or cannot afford too much of that 19½ per cent money it borrowed, not much is going to go to the Farm Credit Corporation and, therefore, not very much to the farmers. That is the bad news.

I want the minister to listen to the next clause. It is almost revolutionary in Parliament. I quote Clause 13(1):

The corporation may, with the approval of the Minister of Finance, borrow money by any means, including issuing and selling bonds, debentures, notes and other evidences of indebtedness of the corporation.

Imagine the minister bringing into the House, not just the old bill which goes back to 1958, but bringing amendments that take him out of the dependence of government money or getting money from the Consolidated Revenue Fund. Parliament passed second reading of that bill and it is now before a committee. This minister can go out and, if the government cannot or will not give him money, he can raise unlimited amounts by any means.

I am suggesting that something we should do when the House goes into committee on this bill is to insist that the minister, if he is defending the housing industry, the people who want houses, homes and shelter, either ownership or rental, should ask for equal treatment from Parliament and give to the millions of people who live in the villages, towns and cities in every part of Canada equal rights to the farmer in getting access to all this money that is available in Canada.

When a clause reads "by any means" you can become almost independent from the Consolidated Revenue Fund. True, you have to get the consent of the Minister of Finance (Mr. MacEachen), but no minister of finance, even one from Cape Breton, would turn down a minister who could get \$100 million from sources other than the Consolidated Revenue Fund at no cost to the treasury. He could not get that type of

stand accepted by any normal cabinet. You need to have a monster policing the cabinet to discriminate between one section of Canadians and another.

Since the Minister of Agriculture (Mr. Whelan) has this, with the support of every member on both sides of the House, the Minister of Public Works (Mr. Cosgrove) owes it to himself, his party, and the people of Canada to get an equal right in this legislation. It will not work as simply under the National Housing Act because it does not have, as far as I know, a clause that allows it to lend more than it has.

Let me follow this up. Suppose the minister got into the housing bill, Bill C-89, in the committee reading stage, the same clause as exists in Bill C-88, and suppose he or the corporation could use the principle of the small business development bond. It was introduced originally in the Crosbie budget and has been restored year by year under the present Minister of Finance. There are many precedents for it, but if this principle was used, people who have money to invest could be encouraged perhaps to lend money to this corporation at 8 per cent. They could turn around and lend it at 9 per cent, which would give them 1 per cent to pay their costs.

● (2140)

I doubt if there is a member on the government side who does not support this amendment which we put through for farmers. Why should this same justice and equity not be given to people who should not only have the right to own their farm but to own or rent their own home? It is my suggestion that the minister, by simply amending each of those sections so people can get their money, could get out of the great dilemma, which the Minister of Finance is in, of only having money that he borrowed at 19½ per cent to spread out. He cannot distribute too much because he does not have it.

The minister can get him off the hook by telling people that if they lend money at 8 per cent to one of these agencies listed in the bill or the Canada Mortgage and Housing Corporation itself, he is prepared to put that money out at 9 per cent.

The gimmick of the small business development bond dates back to the First World War. Its principle was that when you do something for your country and your fellow citizens, the government occasionally gives you the incentive of not having to pay tax, just as in 1917 when people lent money to the Canadian government to fight the war. They did not have to pay income tax on these bonds.

Similarly, as it is applied to small business and farmers under the Small Business Development Bond, institutions which lend money under the Small Business Development Bond, that is mostly banks, credit unions and trust companies, do not have to pay tax on the amount of money they receive, that 8 per cent from the Farm Credit Corporation or the small business which borrows this money. To balance the scale, the man who borrows money at 8 per cent or 9 per cent loses the right to claim that interest as a deduction. What the government will lose on one hand, it will get back on the other. The