

Supply—Public Works

Mr. Regier: I should like to call to the minister's attention the old request of the lower mainland regional planning board located in New Westminster. They applied to Central Mortgage and Housing Corporation for a grant to aid in the cost of a survey of housing on the lower mainland. I know that the matter is in the process of negotiation and that no firm decision has yet been reached. However, I should like to endorse this request because I believe that the attitude taken a year or two ago that this matter was the sole responsibility of the local municipalities involved was possibly adopted in haste. I understand that the department and Central Mortgage and Housing Corporation are reconsidering this request at the present time and I hope that the decision will be that the federal government through C.M.H.C. will assume certain responsibility in this regard. This has to do with the particular item mentioned in the vote.

I wish also to refer to another matter, namely the offering by the minister of mortgages. When he replied to the hon. member for Nipissing I noticed that he waved his hand at what he thought were the western members in this chamber and he appeared to indicate at least that the five blocks on which no bids had been received were out in western Canada. I hope the minister will clear this matter up.

Mr. Walker: If I did so—and I know the hon. member will want me to clear this matter up—that would be a false impression, as they were from all over Canada.

Mr. Regier: I had intended to assure the minister that the economic prospects of western Canada exceed those of any other areas of Canada. I did not hope that he was indicating that these areas from which he had received no bids were out in western Canada. However, before I continue my remarks, I should like to ask the minister this question. Were not all of the offerings that he placed on the market insured as to repayment of principal? If the minister would answer that question I would be willing to continue my remarks.

Mr. Walker: Yes, Mr. Chairman; they are all insured.

Mr. Regier: In that case, I completely fail to appreciate how the managers of investment funds of Canada failed to submit a bid on any of the five packages to which the minister referred on motions this afternoon. As I understand it—and I hope the minister will immediately interrupt me if I am wrong—these mortgages carry an interest rate of 6½ per cent and are insured as to repayment of principal and interest. Yet not a single

[Mr. Walker.]

bid was received. Here was an offering to the investment houses of Canada of \$12½ million worth of paper that had an insured interest rate of 6½ per cent. Not only was the interest insured but the basic principal also was insured. However, earlier today the minister informed the House of Commons that not a single bid had been received.

To me this is a horrible indictment of the managers of investment capital available in our nation today. I read the report of the governor of the Bank of Canada as released as recently as Monday last. In it he refers to the resources and the lending capacity of Canadian banks. In addition to the resources available to and the liquidity of the banks of Canada today there are the insurance companies, trust companies, mortgage companies and many other like organizations. We in our group have often called upon the government to assume responsibility for the direction of investment capital. Under the Income Tax Act Canadian corporations, by way of depreciation, depletion allowances and the like, have been able to have at their command hundreds of millions if not in fact billions of dollars for re-investment purposes in the past. Yet if you look at the economic forecasts and the investment picture of the future, you find they are holding back; they are sitting tight. Our banks, insurance companies, trust companies, mortgage companies—our Canadian corporations—are sitting back.

I do not know whether they lack confidence in the administration of our country or whether they are anticipating the day when they can invest their money and get even more than 6½ per cent. However, I think they ought to be thoroughly condemned for refusing to submit a single bid on insured mortgage paper offered by C.M.H.C. which is, in my opinion, as completely valid as is the dollar in your pocket or as is a Canadian savings bond. It is a mortgage insured as to repayment of basic principal and interest at 6½ per cent. Yet the minister is obliged to report the sad fact this afternoon that not a single bid was received on this offering of five of the 30 packages that he offered.

I congratulated him, as he will recall, on the successful sale of the 25 packages. However, he was obliged to report to the house, not a single bid had been received on the offer of five of the 30 packages. In other words, there was offered \$12½ million worth of paper insured both as to basic principal repayment and as to return of the interest of 6½ per cent and not a single offer had been received.

Mr. Walker: If I am not correct, I do not want to correct the hon. member. But the figure is \$15 million. There were many bids