

Suggested Interest-free Loans

The hon. member for Waterloo (Mr. Saltzman) does not understand that. No one has mentioned that it caused inflation. We will have to pay \$175 million for \$50 million received. Neither the Prime Minister nor any other federal cabinet minister have protested against this shameful abuse, nobody mentioned that it was causing inflation in the province of Quebec. If the province, instead of borrowing from the United States, had used the services of the Bank of Canada to produce the same amount of \$50 million, interest-free, would that have caused inflation? Of course not. Some members of the federal Parliament have no gray matter between their ears. We hear a lot about inflation, but is the Bank of Canada short of ink or pens? Does not Mr. Rasminsky know how to count anymore? We are afraid of creating inflation by calling upon the Bank of Canada, while the fear of inflation miraculously disappears when we borrow money from our friends, the Americans.

As private enterprise is profit-earning, it can put up with our financial structures, pay interest while making profits, which is normal. But that public institutions such as the federal, provincial and municipal governments as well as the school boards should have to pay interests when they do not operate on profit, that is a mathematical impossibility. It is illogical on the part of the central government to allow such a situation with regard to provinces, municipalities and school boards.

Quebec or Ontario, in order to build low cost houses—not at \$150 a month for a worker who earns \$5,000 a year or at \$135 or \$125 a month for people who earn from 4,000 to 5,000 a year, which they cannot afford—needs from \$50 to \$500 million. Houses are built and then families are told: regardless of the size of your family, take this house.

Instead of building houses according to the needs of families, an attempt is made to cut families down to the size of the house. It is quite sensible. Four-room houses are built for families with ten children. A fine sight!

My friend, the hon. member for Hull (Mr. Isabelle), smiles when I talk about that, but he knows. In Hull, we see it every day. Large families are living in small houses. That is why the federal government and the Minister of Justice (Mr. Turner) work at bringing in abortion bills so as to control the birth-rate, to prevent human beings from coming into the world and to cut down families to the size

of houses built by the government. Those are the logical consequences of the present system.

I understand the position of the Minister of Justice. Families must be cut down because it is impossible to enlarge houses. Lumber and other materials are lacking. Contractors and workers are lacking. The minister is smiling. And he is right. That system is so stupid. They do nothing to change it, smiling all the while, as the Minister of Justice is doing. They smile, put they stand pat.

Some hon. Members: Hear, hear!

Mr. Caouette: If the province of Quebec needs \$500 million at once to build dwellings, the Bank of Canada does not issue that amount on the spot, by putting that money in circulation, but according to the work done, at the rate the work is completed. If during one month \$500,000 worth of dwellings have been erected, the Bank of Canada issues a credit of \$500,000 to be paid back in "x" years according to the depreciation of those dwellings. Then a man would not have to pay twice or three times for his house. As regards my small house in Hull, the Mutual Life agreed to underwrite my mortgage and in six years I have not yet managed to reduce the capital debt by \$1,000. My payments amount to \$1,500 a year, most of it in interests. In one year, I pay \$90 or \$100 on the capital, the rest goes for interests and insurance.

I am forced to pay for three houses. The Central Mortgage and Housing Corporation has published official figures concerning payments on a \$22,000 house with a 9 or 9½ per cent mortgage over 35 or 40 years. In the end, the \$22,000 house will cost \$99,000.

• (4:00 p.m.)

And that is inflation. It is not just an adjustment, it is not the true reflection of our opportunities.

So, the provincial government—to come back to my example—would refund the loan in so many years following the fall in value of the houses which have been built and we could give accommodation to our people. We could have houses to sell, thus allowing the small wage earners to have their own homes which is simply impossible in the present circumstances, under the system now prevailing.

The government has to come to grips with this system. It expresses wishes for it is anxious to see an end to inflation. However, those who are at the roots of inflation are