

*Tight Money Policy*

I would like to see the minister responsible for the National Housing Act give greater thought to research on building construction and supplies because I am sure there must be some cheaper way in which we can build. I am not seeking loans for speculator builders, but I am speaking for those people who really need a home, who have made an application, who have qualified and yet are told they cannot get a loan because there is a 15 per cent cutback in the amount available.

So, Mr. Speaker, I conclude by saying what I said at the beginning. I am happy to have had this opportunity to make these few remarks with respect to the curtailment of loans for building and with respect to the tight money policy which the Liberal government is imposing on the people of Canada. I am also happy to give my wholehearted support to the amendment before the house.

● (8:20 p.m.)

**Mr. Macaluso:** Would the hon. member allow a question? I am sure he would like to answer one. Would he give us his opinion as to why the private sources of mortgage funds, such as the insurance companies and some of the trust companies, have dried up their own particular source of investment money in the house building trade? I ask this question to obtain what information he has.

**Mr. Hales:** You are asking me for an opinion. First of all, it is because of the tight money policy of the government. Second, they are putting this money into apartment houses and office buildings where they have a nice tidy arrangement of one building rather, than a group of homes on which they have mortgages. This is the reason the approved lenders are interested more in this type of building than they are in homes.

**Mr. Macaluso:** It is because they are trying to force the interest rate up higher than it is now.

**Mr. Winkler:** Why do you not confer at home?

**Mr. John Gilbert (Broadview):** Mr. Speaker, the members of my party support the amendment which has been put forward by the opposition. The reason we do so is that it lays an emphasis on the real problem which is causing concern among many Canadians today, that is, the lack of housing. The hon. member for Hamilton West (Mr.

[Mr. Hales.]

Macaluso) made a very spirited defence on behalf of the government, but his main emphasis was with regard to amendments to the National Housing Act which were passed in 1964 and which concerned urban renewal and low cost housing, and housing for the elderly. These are very important matters, but as the previous speaker said, the main problem at the moment is getting direct loans for housing.

We feel the problem is not so much one of tight money, but rather that the government lacks a clear-cut policy with regard to housing today. For a moment I think I should dwell on a few of the remarks made by the hon. member for Hamilton West. He made quite an issue out of the fact that there is \$300 million available which has not been picked up by the municipalities and provinces with regard to the projects he set forth.

**Mr. Macaluso:** Which has yet to be picked up.

**Mr. Gilbert:** He asked the Minister of Labour (Mr. Nicholson) to cause to be set up a separate department for urban affairs and housing. When last week the Prime Minister (Mr. Pearson) presented a resolution in respect of the re-organization of the departments, a real opportunity presented itself to bring forth this new department to act as a liaison between the federal department and the provinces and municipalities on some of these problems. It seems rather odd that there would be \$300 million available and that the provinces and municipalities would not make full use of it. We want them to make full use of it.

Perhaps I might mention an example in the city of Toronto and the riding I represent concerning the housing situation in Canada. The three levels of government have started an urban renewal project in my riding. It is amazing how much time it has taken to develop. One of the main reasons for the delay was the lack of consultation between the authorities in the interests of those who were being expropriated. One of the main problems these people are facing is that of compensation. The federal government took the easy position that it is only the banker, that it puts up the money and plays no part in awarding compensation.

The people feel that three elements should be embodied in compensation. Not only must there be consideration of the fair market