

Housing Policy of Direct Loans

attempt to apply a band aid policy to a serious situation. That is a "band aid" policy rather than a "bandit" policy, but perhaps the second meaning is not far off the mark.

I think the announcement is somewhat ambiguous and falsifies the facts. Some 20,000 new starts are to be made, but it is clearly understood that they will not necessarily have to be sold prior to the commencement of construction. I understand why the minister has made that provision. The new houses will not be sold to that category of individuals we desire to help. They cannot afford them.

Perhaps it would be of value for the Minister of Labour to consult with the Minister of Finance, because this whole problem is of a financial nature. This government appears to be operating much like a finance company. The cost of money and of construction in respect of houses is so high they are beyond the means of the ordinary wage earner in this country. I suggest that we are not helping to solve the housing crisis which exists at the present time in Canada.

The difficulty now faced in the housing industry in Canada is not the result of people not wanting to buy houses, but results from the fact they cannot afford them at the present time. We have serious credit restrictions in effect, and we are faced with an 11 per cent tax on building materials. This increases the cost of construction and is an influencing factor in respect of weakening our economy. The minister has suggested that this might be counteracted or resolved when amendments to the Bank Act are passed. I do not believe that will be the case, because banks do not necessarily have sufficient funds to make available mortgage money in respect of the number of houses we need to solve this shortage in the country. We saw them a year ago asking permission to lower their reserves to permit them to operate, because they were working with a tight-belt system. They are not in any better position at the moment, and the situation will not get any better in future. The cost of living is too high to allow the situation to improve.

This policy does not contribute to lowering the cost of living. The fact that we can build 20,000 houses does not mean they can be sold. The contractors will be asked to support this cost, and it will not help the situation one way or the other. It is just a band aid solution or a band aid applied to a major problem for which we need a major cure. The minister certainly has not given us that major cure today.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I have been told on many occasions that we ought to be thankful for small mercies. Even though I agree with many of the criticisms that have been voiced today I want to express appreciation for the small step that has been taken by the government in further attempting to meet the housing problem that exists in Canada today.

I remember the Liberal party proclaiming the fact that they were interested in assisting Canadians to own their own homes. That was a very commendable objective, but we have found during the past months, and indeed the past two or three years, that many of the policies that have been followed by the government have really worked against this objective. Instead of helping our people to own and live in their own homes, these policies have practically placed homes beyond the reach of many thousands of individuals.

In his statement the minister referred to the demands on private capital resources which were exerting undue restraint on residential construction. We in the Social Credit party have maintained for years that the government ought to make use of the Bank of Canada for its social capital requirements. We believe that if the government would use the Bank of Canada to meet its social capital requirements it would take the pressure off the private capital supply, so there would be substantial amounts of money available to carry on the business of this nation and also to enable our people to acquire housing and the other facilities that are required.

I agree that the price of housing today is far beyond the reach of many thousands of would-be home owners. One reason among many is the fact that interest rates have climbed to such an extent as to pretty well take housing out of the reach of those in the middle or low income brackets.

The suggestion that this measure will provide for 20,000 new dwellings is, I think, entirely inadequate. The minister of manpower, I believe, has announced that additional endeavours will be made to encourage immigration to this country. If with this consideration you couple the need of housing for new family formations in Canada, I suggest that 20,000 units is far, far too few to in any way meet the demand in this field. Therefore, Mr. Speaker, while expressing appreciation for small mercies, we are looking for bigger mercies in the days that lie ahead.