

Tight Money Policy

read the amendment that is before us. It is as follows:

The policies of the government in imposing tight money and denying builders and prospective homeowners needed mortgage funds, constitute a negative approach to the problems facing our economy and are seriously impeding the development of the nation.

There is nothing in this motion that deals with loans for the building of residences for universities.

Mr. Macaluso: On a point of order, Mr. Speaker, I would draw to the attention of my hon. friend that if I had strayed from the subject matter of the motion the Chair would have drawn this to my attention.

Mr. Bell (Carleton): That is not a point of order at all.

Mr. Hales: I doubt whether that is a point of order. However, Mr. Speaker, the fact is that the hon. member discussed at great length the amount of money available for the building of residences on university campuses. We do not argue this point. We are talking about direct mortgage loans available to individuals. As a matter of fact, amendments to the National Housing Act permitting universities to build residences were introduced by the Conservative government in, I think, 1961. This legislation provided for an interest rate of 5 per cent, over a period of 50 years, and I am happy to say that practically every university in Canada has made good use of this program.

When talking about money being lent in order to build university residences, and the tight money policy of this government, I should like to point out that if the government were to examine some of the residences being built on university campuses, I am sure they would realize that these residences could be built for less money, be less luxurious, and then more money would be available for the building of homes.

Direct mortgage loans being reduced by 15 per cent is, when compared with the figures of 1965, a very, very serious situation in this country. If my hon. friend from Hamilton West does not realize just how serious this matter is, I would suggest that he sit down with the builders in his community, as I did a few Saturdays ago, and he would realize the problems they face. The builders certainly brought to my attention how serious the problem is. The men in the home building

[Mr. Hales.]

industry are very, very concerned. Small builders are being put out of business. I refer to the man who builds five to ten homes a year.

The big builder seems to be getting enough mortgage money, but I am concerned about the small builders who face a very, very serious problem. I cannot understand why the minister cut by 15 per cent the money available, the same time as approved lenders were curtailing their loans. Here we have the two lending bodies drawing in the available money all at once. Why did not the minister wait to make his 15 per cent curtailment of funds until after the conventional lenders reduced the amount of money available? But here the two things happened at the same time, creating a drastic and serious situation as far as home building in Canada is concerned.

I do not think there is a member in this house who has not had representations made to him by builders in his community as to the serious problem created by the shortage of mortgage money. The president of the National House Builders Association had this to say in a telegram sent to the Prime Minister (Mr. Pearson):

● (8:10 p.m.)

Reports received today from member associations indicate further disruption and curtailment of employment due to lack of mortgage funds. Examples Winnipeg quote lay-offs by quality builders 120 shop labour. Other typical lay-offs 30, 35 and 15 respectively. Lakehead quote six builders report reductions in carpenter and labour force from 322 total to 57. Victoria quote 75 carpenters unemployed as compared to 14 this time last year. Calgary quote most home builders laid off approximately 10 per cent trades. About 75 per cent will have to be laid off in approximately 1½ months. Ottawa quote Ottawa builders alarmed over prospects for next three month period. Montreal quote curtailment in excess of 70 per cent. Hamilton survey of eight builder firms indicate average lay-offs of 38 men per firm.—

Mr. Winkler: Would the hon. member permit a question? Did he say this was in Hamilton?

Mr. Hales: Yes.

Mr. Winkler: Would the hon. member mind repeating that for the benefit of the hon. member for Hamilton West (Mr. Macaluso)?

Mr. Hales: I think he should realize the situation in Hamilton. The telegram sets out the situation in the building trade today. In light of this, let us review the actions of this government, which asserts that it instituted