

Proceedings on Adjournment Motion

the *Globe and Mail* that there is a further increase with regard to home improvement loans. This formula did not apply to home improvement loans which prevailed at 6 per cent. They are now applying that formula, and the interest rate in respect of home improvement loans will be $7\frac{1}{4}$ per cent.

We have a housing crisis in Canada and we have a slowdown in housing starts. We have the minister attempting to solve this problem by increasing the interest rate. We in the N.D.P. feel that this is not a proper solution, but that the solution should be to set up a federal ministry of housing and urban affairs, and to fix the rate of interest on N.H.A. mortgages at no more than 5 per cent. We also believe that, if necessary, the government should make more money available in order to have government participation in the building of homes with young families. If this was done I think Canadians would find an easing in this crisis and a solution to this problem.

Hon. John N. Turner (Registrar General):

Mr. Speaker, I should like to apologize to the hon. member for the absence of the minister and the parliamentary secretary responsible for this department. On behalf of them and the government let me assure the hon. member that recent statistics indicate housing starts have picked up remarkably in recent weeks and months, and that we expect by the end of the year they will be higher than in the previous year.

I regret, as does the minister and the government, that interest rates are as high as they are, but I think the hon. member should reflect upon the reasons. These rates are not high because of arbitrary action, but as a result of a shortage of money and a severe demand on this continent for money. I am sure the hon. member is also aware that the federal money available through C.M.H.C. is greater than it ever has been, but that the demand has been increased sharply. Finally, I am sure he is aware that as a result of recent revisions to the Bank Act, money is not available for housing from the chartered banks.

The government is doing everything it can to increase available money, but the interest rates reflect the economic condition of tight money supply. This is prevalent throughout the western world, together with a shortage of capital. The situation results from an over employment of monetary resources and an excessive demand for the same resources.

Motion agreed to and the house adjourned at 10.19 p.m.

[The following items were passed in committee of supply this day]:

DEPARTMENT OF NATIONAL DEFENCE
1, 15, 20, 25, 30, 35, 45, 48, 50, 55.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE
1, 5, 6, 8, 10, 15, 17, 20, 25, 30, 35, 40, 41, 45.

DEPARTMENT OF TRANSPORT
1, 2, 3, 5, 10, 15, 20, 25, 30, 35, 40, 50, 52, 55, 57, 60,
65, 70, 75, 80, 85, 90, L100, L105, L110.