

Tight Money Policy

Many difficult problems must be faced by the governments in our provinces. The United States government is closing down an air base in Newfoundland. An iron mine is also to be closed in that area. These are difficult problems with difficult results which must be faced by that province. Such problems demand the greatest attention on the part of provincial governments and can only be solved through close co-operation on the part of the federal government.

In the province of Nova Scotia the government is continually faced with a problem relating to coal. At the present time there is a difficulty associated with the steel complex in Nova Scotia. The loss of this industry would do irreparable damage to the economy of that province. These problems cannot be tackled by the provincial or federal governments alone but demand the kind of co-operation that has not existed to any degree in recent years.

The same sort of difficulty exists in the provinces of New Brunswick and Prince Edward Island. Stability in the agricultural industry there can only be maintained if certain legislation is brought forward and passed by this house. The government has been slow and hesitant to move forward in this direction. We are not receiving the kind of attention we need in order to progress to that degree we feel we have a right to expect. The tight money policy being applied by this government on a national basis is doing tremendous damage every day it exists in its present form.

• (5:30 p.m.)

This government does not recognize the special problems existing in the Atlantic provinces and until it does much of the progress made by provincial governments through progressive legislation will be undone. I can only say that we must hope for a change in philosophy or we cannot be certain of the outcome for our people. I hope the Minister of Finance will reconsider his tight money policy as it applies to the Atlantic provinces. I hope he will take the advice of the Economic Council of Canada. I hope he will take the advice of the Atlantic Provinces Economic Council. However, I am indeed fearful that he will not take advice from anybody but will continue the philosophy he adopted when he was a bureaucrat in the last Liberal administration and which he now perpetuates as Minister of Finance.

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, I should like to participate in the debate on the amendment introduced by the hon. member for Northumberland (Mr. Hees) which I submit is a very general motion dealing with the tight money policy as it concerns housing and urban development in this country. I have been one who has been most interested in this field for quite a number of years both before and since coming to this house. I suggest to hon. members that we all know that priorities have their place in the field of housing and urban development. I submit, as a result of condensing a great deal of experience into the short period of six or seven years, that the housing dollar has to be spread where it is most needed.

As the Minister of Finance (Mr. Sharp) stated in his budget address, during these times of tightening up a little on the finances of the country it is natural that one of the fields to be affected is the field of housing generally. It has been the private mortgage field that has been affected most because the private lender has been withdrawing from the field in order to put pressure on the government to bring about an increase in the interest rate on N.H.A. mortgages. The minister in charge of Central Mortgage and Housing Corporation knows that I have been opposed to any increase in interest rates on N.H.A. mortgages. In fact, I was opposed to the increase from 6½ per cent to 6¾ per cent. I suggest that we cannot forget we are experiencing today a dry run so far as mortgage loans from private lenders are concerned because they want to pressure the government into increasing the rate of interest. This cannot be denied, and I feel these people will not deny it.

However, I should like to review briefly the amendments introduced in June, 1964, to the National Housing Act. I doubt that anyone can challenge the fact that in no field has this government shouldered its responsibilities in a more determined fashion than it has in the field of housing. Since these amendments were passed the average Canadian family has been able to build or rent accommodation suited to the needs of that family and their finances. The sweeping changes that were made to the housing legislation also spelled out new hope for those who need to find decent housing for their families, and here I am speaking particularly of the low income groups and the elderly citizens of this country.