

Inquiries of the Ministry

requests. We in the Department of Labour do not deal directly with the individual companies. My officials inform me that French panels are available on request.

ELLIOT LAKE, ONT.—INQUIRY AS TO REPORTED
EVICTION NOTICES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask the Minister of Public Works whether he is now in a position to deal with the question I brought up last week concerning housing difficulties in Elliot Lake.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I thank the Leader of the Opposition for asking this question. In reply I would say that of the 1,399 National Housing Act home ownership loans approved in Elliot Lake, 1,119 were made by the approved lenders to the housing companies sponsored by the mines for sale to mine employees, and 280 were made to individual home owner applicants.

The mortgages relating to 264 N.H.A. houses are currently in default and the approved lenders have advised C.M.H.C. of their intention to claim on the mortgage insurance fund. Two hundred and forty of the houses with mortgages in default are owned by the housing companies sponsored by the mines and have been acquired as a result of buy-back agreements between the housing companies and the mine employees who have left Elliot Lake. These houses are vacant. The remaining 24 mortgages in default relate to houses owned by individual home owners. The majority of these home owners have voluntarily vacated and transferred their property to the lender. As far as I have been able to determine there is only one instance where the lender experienced difficulty in obtaining possession from the home owner.

REPORTED RETRAINING OF UNEMPLOYED
WORKERS

On the orders of the day:

Mr. Walter Pitman (Peterborough): I wish to direct a question to the Minister of Labour. In answer to a question regarding retraining programs for unemployed workers, asked on January 20, the hon. gentleman replied that facilities were being set up under schedule M of Bill No. C-49, not under the Canadian vocational training act. I am not able to find schedule M. Would the minister be kind enough to clarify the situation?

Hon. Michael Starr (Minister of Labour): Schedule M is in the agreements which are made with the provinces.

[Mr. Starr.]

Mr. Martin (Essex East): But the minister said it was in the new act.

Mr. Starr: The agreements are drawn up under the new act.

FINANCE

EFFECTIVE INTEREST RATES ON SMALL
BUSINESS LOANS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to address a question to the Minister of Finance. As the official maximum interest rate was not stipulated in the statute setting up government guaranteed loans to small businesses, I wonder whether the minister has made inquiries to see what rates are now being actually charged under this statute, and whether they have proven to be uniform rates in all banks or whether he has found a variation, and if so what the range of that variation would be.

Hon. Donald M. Fleming (Minister of Finance): This matter has been discussed with representatives of the banks. The rates that are being applied are, as I am informed, rates suitable to the creditworthiness of the particular applicants, less an allowance which I believe is taken as one half of one per cent of the interest rate on account of the federal government guarantee.

Mr. Benidickson: Does the minister know what the range in rates has proven to be?

Mr. Fleming (Eglinton): The range in rates is between the prime rate of 5½ per cent and 6 per cent, less one half of one per cent on account of the guarantee. According to my understanding, the effective rate thus ranges from 5¼ per cent to 5½ per cent.

Mr. Benidickson: Plus the insurance?

Mr. Hazen Argue (Assiniboia): I have a supplementary question. The minister does not have any information to the effect that the banks are following a procedure which would give them in fact a rate above 6 per cent?

Mr. Fleming (Eglinton): The banks have no power to charge a rate in excess of 6 per cent. That is the maximum established by the terms of the Bank Act. The prime rate is the rate, of course, established in favour of persons with the best credit rating. This rate at the present time is 5½ per cent, as it has been for some months past.