

*National Housing Act*

time, or shortly after, that the Royal Bank suggested that they were going to make loans for 5 per cent. I do not know whether they made any loans at that rate of interest, but it was certainly advertised that that was going to be done. Nobody can say that the Royal Bank is not a good business organization. If that bank could lend money at 5 per cent a few months ago, then the mortgage companies could do it; but you never hear of a mortgage company offering to reduce the interest rate voluntarily. You always hear of them raising it as soon as they have the opportunity. At this time I will not discuss the methods used by some mortgage companies in extracting payment from clients. I have brought it up in the house before. The methods that some companies use are not commendable.

On March 22, 1956, the rate of interest was increased again to 5½ per cent. The very fact that we allow the rates to fluctuate shows that we are discriminating. Why should a man who took out a loan a year ago pay 5¼ per cent and a man taking out a loan today pay 5½ per cent? Remember, these are government-guaranteed loans. I do not believe the minister has told us yet—he can correct me if I am wrong—that the lending companies have lost money by lending money under the National Housing Act. In fact I am quite sure they have not. The government may have had to pay some losses, but I doubt that. The losses would be very small in any event, and I wish the minister would indicate what the figures are. Under the National Housing Act the mortgage companies just cannot lose. I have often wished that I had some field in which I could lend money on a guarantee like that.

**Mr. Byrne:** Me, too.

**Mr. Johnston (Bow River):** My hon. friend says, "Me, too". Who would not jump at a thing like that? You cannot lose. It is not a gamble; it is no bet. Every six months or so the government says, "You can hoist the interest rate a little bit". I have always maintained, Mr. Speaker, that during the war and just after the war the national housing plan was never inaugurated to build houses. The primary purpose was to provide a field of investment for the lending companies, and they have done remarkably well ever since.

I am not going to take any more time on this occasion, Mr. Speaker. I do want to say that the minister has done pretty well in his job, but he should not be allowed to sit there too complacently and not get a few jolts once in a while to bring him to his feet. I want to commend him on the way

[Mr. Johnston (Bow River).]

he has looked after the job and, with a little prodding now and again, I think things may go along fairly well.

At six o'clock the house took recess.

**AFTER RECESS**

The house resumed at eight o'clock.

**Mr. R. E. Reinke (Hamilton South):** Mr. Speaker, Bill No. 215 as presented by the minister is extremely important in every one of its clauses, but there are two or three to which I wish to refer in particular. Under the existing legislation the clause dealing with the redevelopment of blighted areas in cities stipulates that the end use shall be for low rental, moderate rental or public use. The new bill removes that limitation, and the land may now be put to the use best suited to the purposes of the municipality and the federal government, as agreed between them.

I congratulate the minister upon bringing in these revisions of the National Housing Act. The policy of the Liberal government has always had as its expressed purpose the improvement of living conditions for Canadians generally. Apart from our tremendous welfare program, which is costing the Canadian people a great deal of money, I believe the housing legislation has done more to improve living conditions in this country than any other piece of legislation. This legislation provides a way and means for Canadians to enjoy their most important stake in the country, the ownership of their own homes.

The minister told us this afternoon that this year will see the completion of the millionth house since the National Housing Act was brought into being. In Ontario during the past ten years 350,000 housing units have been completed. This program of home building has been possible because of the optimistic outlook of the Canadian people, their desire to own their own homes, their desire to invest their savings in homes and their confidence in Canada. Aside from all these factors I maintain that there is only one reason that people have been able to achieve home ownership, and that is the National Housing Act as provided by this government. That legislation assists in the lending of money and, second, guarantees loans so that money shall be available for those who wish to own their own homes, which in turn encourages the building industry.

I should like to mention this evening a project which is being contemplated in