We therefore propose, in Bill C-192, that the legislation be amended to provide for federal contributions of 50 per cent of the cost to provinces or municipalities for the acquisition and rehabilitation of useful housing in urban renewal areas. This change will make it possible to restore housing rather than to demolish it and to upgrade that part of the housing stock that can be salvaged. It is my hope that this change will introduce much more flexibility for provinces and municipalities in dealing with urgent renewal programs. As soon as the legislation is enacted, we propose quickly to discuss this new feature with provincial and municipal representatives of those cities whose projects have been deferred. We must also face another problem created by increased urbanization, the inflated land costs in our larger centres. As I am sure all hon. members are well aware, one of the most limiting factors in producing all forms of housing is the shortage and high cost of serviced land.

The existing legislation contains authority for federal-provincial partnership in land assembly developments to help overcome this problem. However, this program under section 35A has not generated much action. Section 35C of the National Housing Act provides 90 per cent loans to a province, municipality or public housing agency to acquire and service land, but as it now stands it is restricted to public housing purposes. Such loans are made at a preferred interest rate prescribed by the Governor in Council for a term of up to 15 years.

While the bill before you makes no reference to an extension of these arrangements, I will be introducing an amendment at the report stage. This amendment will extend the 90 per cent loans to cover provincial or municipal acquisition of land for all housing purposes. Private as well as public. This proposed change has been discussed with the provinces and all have concurred. Indeed some provinces have requested urgently that this amendment be made. Of course, adequate sewage treatment facilities must be available to service the land developed.

The present forgiveness feature for federal loans made under the act for sewage treatment projects terminates in March, 1970. The value of this legislation was emphasized by the representatives of the Canadian Federation of Mayors and Municipalities who recently came to Ottawa to make their annual presentation to the government. We are well aware of the value. They impressed upon us

not only its purpose in assisting municipalities with their general programs, but that it very definitely contributes to an anti-pollution program throughout the country. Much has already been accomplished by this useful program and it is obvious that much remains to be done.

Many communities have projects in the planning stages that could not possibly be completed by March, 1970. To ensure the continuation of this program, Bill C-201, introduced Friday last, will extend the forgiveness incentive for a further period of five years to March, 1975.

Let me say, Mr. Speaker, that these amendments and consequential regulation changes represent another major step in the evolution of our housing policy. The passage of these two pertinent bills, C-192 and C-201, will provide a more flexible instrument to facilitate the realization of our federal housing objectives acting in concert with the provinces.

As I indicated earlier in my statement, federal housing policy seeks to encourage the required flow of capital into residential housing mortgages, to provide special assistance to those who are disadvantaged, to probe through research and experimentation into the broader aspects of urban problems and to help the provinces and municipalities in terms of municipal infrastructure financing and expertise. If the federal government is to devote more energies to one over another of these it will be to assist with all the resources we can command, the poor, the aged, the handicapped in their legitimate but more difficult search for decent shelter. My particular concern then is for the low income group.

It is my intention that the capital budget of Central Mortgage and Housing Corporation, the direct federal investment in housing, will be devoted to the special programs for low income families, the elderly, and the disadvantaged to a greater extent than in any previous year. These, Mr. Speaker, are the basic premises on which I will work.

I want to give sincere and due credit to the achievements of the past, especially the immediate past, and their thrust for ongoing change and improvement. But, too, I want to look to the future. One must deal, responsibly, within the parameters of what is realistically possible at any given time. As of now this provides considerable leeway for improved housing performance. If and when I find that these possibilities have been exhausted I shall probe the contraints and the arrangement of government priorities to seek needed adjustments.