

But in our section of the country we have been working on plans, which we hope will be accepted by C.M.H.C., whereby partially finished three-bedroom homes, equipped with all the necessaries for family living, will be made available to low income workers on the understanding that they will finish them to specification as time goes on.

It would be surprising, too, honourable senators, to know the interest which such a proposition has commanded in many sections of the Maritime provinces, and the number of demands and inquiries as to how these people can be accommodated. The plans have been approved by the central office but had to come here to Ottawa for final approval, and it is my hope that that approval will be given. My only purpose in rising is to say that I do hope some of the funds which will be made available under this legislation will be earmarked to take care of those low income people who compose a large section of the population who want houses in my part of Canada.

Hon. Wishart McL. Robertson: Honourable senators, I have no particular comments to make on the bill, in support of it, but I would ask the honourable leader (Hon. Mr. Aseltine) if he has any information as to comparative costs of building, and also if the Government has any expectation that between the time this money is provided and used private industry and the loan companies will come in and supply capital in greater quantities so that the Government will not find it necessary to do so? It seems to me that 6 per cent on a government guaranteed loan is a very favourable return. As far as I know, the loan companies have a plethora of money, and it is difficult for me to understand why the Government has to provide money at so high a rate of interest when there are, I should think, such favourable circumstances for loaning.

Hon. John J. Connolly (Ottawa West): Honourable senators, today in the mail two documents were received by all of us. Unfortunately, I did not have much opportunity to look at either of them before the house assembled this evening. Both were sent by Central Mortgage and Housing Corporation, and I think they were extremely illuminating as background material for this legislation. The honourable gentleman who has just spoken (Hon. Mr. Robertson) asked for comparative building costs. On page 40 of one of these pamphlets entitled *Canadian Housing Statistics*, is a very interesting study on building costs, to which I would refer the honourable gentleman. In the Twelfth Annual Report of Central Mortgage and Housing Corporation, at page 39, there is a

rather interesting set of statistics, showing the number of housing units completed from 1935 to 1957. Those years, perhaps, are rather significant in a political way, but I do not refer to it for that reason. I do so only because that is the way the figures are given in the booklet. I think it is worth while taking note of the fact that in those years 422,344 housing units were completed under the various housing acts—and there were three of them—but there were 1,161,374 units completed by financing which was not provided under the housing acts. In other words, three times as many housing units were completed by what presumably would be private money than by money provided through these various housing acts.

Hon. Mr. Vaillancourt: *Caisses populaires?*

Hon. Mr. Connolly (Ottawa West): *Caisses populaires* may be a good example, and of course the other normal lending agencies, insurance companies, private funds from administrators of estates, and so on.

Hon. Mr. Lambert: May I ask the honourable gentleman if these loans were not guaranteed by Central Mortgage and Housing Corporation?

Hon. Mr. Connolly (Ottawa West): That is not the way I read it. I think these statistics show the number of houses completed under the various housing acts, in one column, and the number of housing units completed by money supplied by private agencies, in another column.

Several honourable senators have referred to the interest rate proposed to be charged under this legislation. I notice that on page 12 of the annual report of Central Mortgage and Housing Corporation, the following appears:

Operations under the National Housing Act in 1957 were affected by amendments to the Act, by changes in the Regulations, and by Government policy.

Maximum interest rates on loans were increased by one-half of one per cent on January 22, 1957. This resulted in rates of 6% for home-owner, home conversion, rental, farm, and home improvement loans, 5½% for employee rental housing built by primary industry, and 4½% for limited-dividend rental housing (Order in Council P.C. 1957-90). In October, the interest rates on primary industry and limited-dividend loans were further increased to 5½% and 4½% respectively.

There was some discussion about this matter in another place on Friday last, when the minister in charge said:

The yield on the 20-year theoretical Canada bond as of the beginning of May was 4 per cent. If the rate were currently being prescribed the statute would permit the present rate of 6 per cent to be