

*Inquiries of the Ministry***EXTERNAL AFFAIRS**ECONOMIC ASSISTANCE TO UNDERDEVELOPED
COUNTRIES—CANADIAN POSITION
AT CONFERENCE

answer questions as they arose during the debate on the resolution and second reading of Bill No. C-53, it was not possible for me to review direct lending policy in detail, particularly as final administrative arrangements were still being worked out by corporation officials. Some procedural matters are still under consideration, but I believe I can now, by virtue of the timely question by the hon. member for Nipissing, provide the house with some short additional basic information.

Mr. Speaker: Has the minister leave to read an additional answer?

Some hon. Members: Agreed.

Mr. Walker: Thank you very much. Hon. members will recall that during the debate I indicated that if and when the additional funds the government had requested were forthcoming, Central Mortgage and Housing Corporation would make direct loans only to applicants with annual incomes of \$5,000 or less. I was asked at that time whether the wife's income, if she were working, would be included and I answered "No". I should point out that the corporation has always considered up to 20 per cent of a working wife's gross income in computing the applicant's ability to make monthly repayments of principal, interest and taxes. This practice will not be changed in determining eligibility of an applicant for a loan; in other words, the corporation will take into account the applicant's gross annual income plus 20 per cent of his working wife's earned income. There is no change here; it is a matter of using the same criterion for both purposes.

There have been some comments both here and, I believe, in the other place on possible inequities arising out of proposals to channel corporation mortgage loans to applicants with annual incomes of \$5,000 or less. I think we must face up to the fact that regardless of the system used, of the criteria developed, there will always be inequities. We have tried to formulate a plan that will provide the least number of inequities for the fewest Canadian families.

Finally, the \$5,000 maximum income figure for eligibility refers, of course, to the average Canadian family. The average family has one or two children and during 1959 some 75 per cent of N.H.A. borrowers fell into these and the no-children categories.

For families that are larger than the average, Central Mortgage and Housing Corporation is now developing an appropriate adjustment which will probably have the effect of stretching the \$5,000 maximum to take care of the needs of the other 25 per cent, that is the smaller number of families with three, four, five and more children.

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): Recently the hon. member for Assiniboia put to my colleague the Secretary of State for External Affairs a request for a report on the meeting that was held recently in Washington of what is known as the development assistance group. In view of the responsibility of the Department of Finance in relation to external aid programs, perhaps he would permit me to give the house a brief report on that meeting.

Mr. Speaker: Has the minister leave to make a report as suggested by him at this time?

Some hon. Members: Agreed.

Mr. Fleming (Eglinton): This meeting was held in Washington on March 9, 10 and 11. It was the outcome of a decision taken at the meeting of representatives of 13 countries in Paris in mid-January. At that meeting the governments of Belgium, Canada, France, Germany, Italy, Portugal, the United Kingdom and the United States and the commission of the European economic community agreed to meet to discuss the question of techniques and to facilitate the flow of development assistance funds to underdeveloped countries, having discussed also various aspects of co-operation in their efforts to provide such assistance.

The proposed discussions proceeded in accordance with the resolution passed in Paris on January 14. The resolution itself, passed in Paris, serves as the terms of reference of this organization or body now known as the development assistance group. The governments I have mentioned were joined by Japan, which was represented at the meeting as a full and original member with the approval of all other participating governments.

The results of the meeting were encouraging. All who attended the meeting were impressed with the usefulness of the meeting. A communique was issued, and the countries represented indicated their intention to continue to work actively toward the objectives indicated in the original reference. At the invitation of the government of the Federal Republic of Germany it was agreed that the next meeting of the development assistance group will be held in Bonn in June or July next.

Mr. Speaker, it is the view of the government that this new development assistance group will prove to be an effective organ