

Another point I wish to touch on is in connection with the rural districts. All honourable senators realize, as does Senator Benidickson, the trouble that the borrower in the rural district has in procuring an amount of money sufficient to purchase a home. This is perhaps due largely to the fact that there are no trust companies or banks in those localities. It is my hope that in the revision of the Bank Act some provision will be made whereby those living in rural districts and wishing to borrow will have the opportunity to do so. I say that notwithstanding the fact that I am a director of a trust company and am perhaps sending business away from trust companies to the banks. But I feel, in view of the way banks are located in different sections of the provinces, they could make available the funds necessary to carry out these improvements. I bring that particularly to the attention of the Government.

Honourable senators, on the whole, this is a step in the right direction. While I perhaps will not live to see the day when we will be getting the full amount required, as I mentioned earlier, on the moral character of the borrower, we have gone a long way in getting 90 per cent of it.

Hon. Jean-François Pouliot: Honourable senators, I listened with much interest to the good speeches made by the Leader of the Government and by many of our colleagues. I have one question to ask.

I wonder why the policy which has favoured foreign countries by lending them money without interest is not applied to Canadians for the building of houses. How is it that Jamaica and Bolivia have received Canadian loans on which they pay no interest, and that Canadians have to pay interest on loans for building houses?

This is my question. I ask for no answer to it, but I hope it will be submitted to the Government in order that action may be taken in the matter.

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: May I remind honourable senators that if honourable Senator Connolly speaks now, it will have the effect of closing the debate.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I thank those honourable senators who have taken part in the debate this afternoon and who have been so constructive in their approach to the project incorporated

in the bill. I am pleased that Senator Macdonald (Cape Breton), Senator Isnor and Senator Benidickson have commended the idea of providing for insured loans on existing real estate. I repeat what I said to Senator Isnor, that this is not intended to help the speculator. The purpose is to assist the person with low income to acquire a new home.

So much has been done in the field of "do-it-yourself" lately, that the idea of allowing the homeowners labour to count in the cost of the improvement, particularly with the popularity of power tools within the family, will beneficially affect this area.

I was pleased to hear Senator Macdonald (Cape Breton) speak about the work of the co-operatives in the production of housing in Nova Scotia. Some years ago I went to Chile to attend the inauguration of the new President, Eduardo Frei Montalva. While I was there I found some specialists in the co-operative movement who had taken their training at St. Francis Xavier University in Nova Scotia.

Hon. Mr. Macdonald (Brantford): That is the college which has the football team.

Hon. Mr. Connolly (Ottawa West): Yes. It is a good football team. Perhaps I should stop the sentence there, because I know there are several good football teams in that college grouping.

Hon. Mr. Smith (Queens-Shelburne): And some not so good.

Hon. Mr. Connolly (Ottawa West): As I was saying before I was so sportingly interrupted, these people were looked upon as developing the co-operative idea in that country, particularly in the field of housing. Recently, I was asked by some of the Chilean authorities where they could get information on this matter. I was able to refer them to the Canadians who were working in the field in this developing country of South America.

I quite agree that the sales tax of 11 per cent may be a deterrent to the building of houses by people with low incomes. However, we cannot have it both ways, and the demands on the treasury are heavy. The 11 per cent sales tax on building materials has not proven, by and large, to be too bad a thing, although there are people in the industry who will complain that they could do much more without it. However, we can hope for better times. We can hope for a decrease in that tax, and even the elimination of it. There is a royal commission which is to report shortly on the whole tax system and perhaps there may be some relief as a result of that report.