

Mr. JOUBERT: It is residual lending, and we believe that the position of the Government remaining as a residual lender is the correct one.

Senator BRUNT: You do not think there is enough money in the \$350 million to look after the low cost housing?

Mr. JOUBERT: We are not discussing the \$350 million in our brief, but this would bring us to mention that the \$350 million appropriation is a kind of reserve that is set up by the Government, and the reserve currently is for a certain number of housing units, over a certain number of undetermined years. It could be used at different times according to whether the situation was regarded as serious or not.

Senator BRUNT: There are no restrictions on time with respect to the \$350 million.

Mr. JOUBERT: There are no restrictions.

Senator BRUNT: So that anyone building a low cost house who has been turned down by two recognized lenders, can go to the fund and get the money.

Mr. JOUBERT: Yes.

Senator BRUNT: Do you not think that the fund will provide enough money for low cost housing?

Mr. JOUBERT: It is difficult to say whether the \$350 million is enough or not. This money has just been voted, and I am not an expert on financing to say whether it is enough.

Senator BRUNT: I understood you to say it was difficult to get mortgages on low cost houses. I don't see why it should be difficult, with that sum available.

Senator BARBOUR: Is the \$350 million all to be used in low cost housing?

Mr. JOUBERT: There is a distinction to be made there as to how it is to be used. Of course, much of the low cost housing is difficult to characterize. You may find that in some cities a \$12,000 house is an average-cost house or even a relatively low-cost one, while in some other places, for some other income groups, a \$12,000 house is unobtainable. You should aim at \$8,000 or \$9,000 or \$10,000. The purpose of the research house that was built was to show that a \$7,000 house could be built with a probable market price of \$8,000 or \$9,000 according to the cost of sewers, land and financing.

Senator PRATT: When we talk about a fund to encourage financial assistance for low-cost or higher-cost houses, what about the difference in areas? For instance, take St. John's, Newfoundland. Costs there are very much higher, for various reasons, than they are in some other areas of Canada. If the Government had a set plan of some kind that favoured houses at a certain price level, and so forth, it would work a great disadvantage in some areas. Owing to the fact that there is no precise similarity in costs in various areas, it would be a rather dangerous principle to establish, wouldn't it?

Mr. JOUBERT: Yes; it is a very difficult matter, even with the application of the maximum area per house basis that has been decided upon. The Government, of course, has to have certain rules so that all the financing will not be applied on higher-cost homes. There is a field for discussion here, for you may find with respect to a medium house that sometimes the cost per square foot on an additional 100 or 150 square feet is much less than the cost on the original 1,000 square feet. It is a matter of finding a happy medium in the various areas. It is a very controversial matter.

Senator METHOT: The cost of houses must vary depending on weather conditions in the different sections of the country. For instance, there must be quite a difference in the cost of house building in Newfoundland as compared to that in British Columbia.