

*National Housing Act*

Mention has been made of the Veterans' Land Act. This, of course, is an act of great benefit to veterans and it was deliberately drawn so as to give them an advantage as part of the compensation due to them for the sacrifices they made for the country. But it would be another thing to extend all these benefits to the rest of the nation. I think it is difficult to compare housing under the Veterans' Land Act to housing under the National Housing Act.

Then there was some discussion about the high cost of building houses. Here, again, I agree that one of the difficulties is the high cost of building, but it is difficult for us to do much about that. Everything is costing more; all prices have increased, and wages have increased, and as the hon. member for Levis said, in his city—and I guess in most other cities—it would be difficult to build a house for less than \$10,000. That is the general situation across Canada and I doubt whether it can be met under the National Housing Act or, for that matter, under any other act. We do not want to start putting ceilings on wages or setting controls on prices. We are living in a free enterprise economy and these are things which are not done in an economy of this type.

It has been suggested that interest rates should be lowered. It would be very desirable if the money could be put out without any interest at all having to be paid, but here again we have to face conditions as they are. If the interest rate is to be lower than the amount the government pays to get this capital, it means that some Canadians are paying for other Canadians, make no mistake about that. It means subsidization, and in the light of the going rate for the dominion government bonds I do not think the interest rate at 6 per cent under the National Housing Act is out of line. While, generally speaking, interest rates have been rising we have very carefully kept the rate under the housing act at 6 per cent. I am very pleased that this has been possible and I think we should get a little credit for keeping the rate at this figure. Under the conditions which now exist it would be very difficult to lower the rate.

Another factor which is sometimes overlooked when we talk about the cost of housing is that in practically every organized community in Canada there are very severe building restrictions; you just cannot walk into a centre and build a cheap house. In many cases the municipal authorities will not allow you to do so—you must have this improvement, and that improvement, and so on, and rightly so. I am not quarreling with that because the municipal authorities want to keep up their standards. The Central Mortgage and Housing Corporation is not anxious

to break down standards. In fact, right from the beginning of the history of the corporation an attempt has been made, under both governments, to maintain the standards set by the municipalities. However, this fact of municipal regulation, town planning by-laws and so on must be taken into account when one is looking at this whole housing picture.

Some mention was made by the hon. member for Skeena of the fact that the government is now putting up a very much larger percentage of money for housing than had formerly been the case and if I followed his argument he appeared to be trying to prove that because of this fact the government should go further and pretty much do the whole thing and adopt entirely new standards. The government went into the home financing field to such a large extent in the last two years for one reason, to provide employment. This was done deliberately as the very best means of creating jobs. It was never intended to be a long range policy that the government would have to provide approximately 50 per cent of the mortgage money. It would be very difficult for the government to do this and I do not think many hon. members of this committee would wish to have the government stay in this field in such a large way.

As I said, we have been receiving excellent co-operation from the lending institutions. Last year they invested huge sums of money in housing and they propose to do the same this year. I believe that the general picture is very hopeful.

That, Mr. Chairman, is a very rough reply to the various suggestions made by hon. members. The bill of course will be introduced following the passing of this resolution and then there will be an opportunity to go into the amendments in detail. Once again I should like to thank the hon. members who have taken part in the debate for their very helpful and constructive suggestions.

**Mr. Forgie:** Mr. Chairman, before the minister takes his seat I should like to ask him one question. Would he care to comment on the difficulties being experienced by the plywood and veneer manufacturers in connection with their projects especially regarding the importation of competitive goods from other countries and particularly Japan.

**Mr. Green:** Here again, Mr. Chairman, the question is not really in my field. In administering the National Housing Act we are not in a position to do anything about that.

**Mr. Forgie:** It does enter the cost structure, though.

**Mr. Green:** I feel it is a question which really comes under the purview of the Department of Trade and Commerce.