

*National Housing Act*

record last year, and I am speaking from memory, our backlog amounted to about 250,000 a year.

**Mr. Byrne:** That is not correct.

**Mr. Johnston (Bow River):** You give the right figure then. I do hate these interjections on the part of individuals who cannot give the right figure in the place of the one you give. They just interrupt for the sake of interrupting. I heard a remark a while ago, Mr. Speaker, to the effect, "show me another country that is building the houses per capita that Canada is building". Such people seem to take some satisfaction in hiding behind the fact that some country like Britain that went through all the ravages of war, is not building as many houses as we are. They say look at Britain and then see what we have done. Yes, we were sitting here smugly, protected from the ravages of war.

I do not think that gives us much comfort. Perhaps we are doing better than they are, but the important question is, are we doing as well as we should be doing? I doubt if we are doing as well as we should on a national basis, when we are not keeping up with the backlog.

In his statement the minister gave us one instance when he said that half a million houses—I am subject to correction on this—were over 50 years old. Then he went on to tell us how many were over 75 years old. I am going to say to the minister, and I doubt if he will contradict me, that when a frame house is over 50 years old it has just about completed its service. Even the income tax department says it is depreciated in 20 years. They only allow depreciation for that length of time. Certainly when a frame house has lasted for 50 years it is time it was torn down. I am going to say that when it has lasted for 75 years, it is not fit for habitation. As long as we have houses of this type in this country, then we should not be sitting back complacently and saying see what we are doing compared with some of the other countries.

I think one of the greatest things with which we have to contend, as was indicated by the hon. member for Regina City a moment ago, is the construction of houses for these people in low income groups. I never have dwelt at any length in this house in arguing whether or not Central Mortgage and Housing Corporation, the lending companies or the government should make money available to people to build \$20,000 or \$30,000 homes. I think such people are well able to take care of themselves. In fact I do not believe a fellow needs too much assistance

if he is going to build a \$15,000 or \$20,000 home. Such assistance is convenient, yes. If a man living in the city wants to build a \$20,000 house—I am not implying that is a luxury home, even at that—he does not need too much assistance and possibly the rate of interest he has to pay on the money he does borrow is not of too much consequence to him.

I am not too much concerned about such a person. The person I am concerned about is that person who is in the moderately low income group. I think the minister said the other day that before a person could be considered for a loan he should have a wage of something like \$5,000. I am not just sure of the figure; I think it was \$5,200 and some odd. People in those circumstances are very much concerned over the cost of a house. One of the things that aggravate and concern them is the cost of the money they will have to borrow in order to build a house.

This brings me to the question of interest rates. It might be all right for the government to say that the interest rates on those loans must correspond to the rise or fall in the interest rate on government securities. If they follow the policy of asking the Bank of Canada to change its interest rates and, as a result of that change, the chartered banks follow suit, then they must not forget that is creating a hardship for those people about whom I am speaking now, the people on \$5,000 salaries and less. When we have half a million people living in frame houses that are over 50 years old it does have a serious effect on them, and we should be giving it some consideration.

When the act came into force in March, 1954, the interest rate was set at 5½ per cent. We in this group took every exception to it because we were sure the rate was too high. I say to the minister through you, Mr. Speaker, that no man who is getting \$5,000 a year or less can afford to pay 5½ per cent interest on money borrowed to build a house, nor can he afford to pay 5½ per cent on any borrowed money. It is just out of all reason to ask him to pay that high interest rate when you consider that when he is endeavouring to build a house costing \$10,000 and it is amortized over a period of 20 to 25 years it will actually cost him \$20,000. The price doubles itself. What rhyme or reason is there for this House of Commons asking people to pay 5½ per cent interest, and asking a man on a salary of \$5,000 or less to pay double the cost of the house in the amortized period of 20 to 25 years? This is something that has to be considered.

On February 16, 1955, the rate was reduced to 5¼ per cent. I believe it was around that