

*National Housing Act*

of small places in my constituency. I am told, for instance, that several people in the village of Nakusp, which the minister knows very well—it is one of the most beautiful villages in Canada, where there is fire protection—have been unable to obtain loans from the C.M.H.C. This village is based on a sound economy, with thriving lumbering development over the years. It certainly has not the insecurity of a small mining village.

**Mr. Green:** Officials of C.M.H.C. inform me that there is no reason at all why loans could not have been obtained just as in any other small settlement.

**Mr. Herridge:** I am very glad to hear that.

**Mr. Green:** We will be glad to look into any cases where loans have been refused.

**Mr. Bourget:** I am sorry to interrupt the hon. minister, but may I also bring to notice the situation of shipyard workers in my own constituency. Very often they have been refused a loan. I do not know whether it was the insecurity of their jobs, but for one reason or another, even when we were on the other side, they were refused. I was wondering if this question could not be taken into consideration so that special attention could be given to their requests.

**Mr. Green:** Mr. Chairman, I believe the policy is to grant loans to any worthy borrower. In the case the hon. member for Levis has mentioned, there may have been some misunderstanding on the part of the applicants, or the officials who handled the applications may not have realized what is the policy of the corporation. I would be very glad to have any of these cases brought to my attention, because one of our main objectives is to give the benefit of the National Housing Act to people living in the smaller centres of Canada.

The hon. member for Nipissing raised several questions which have to do with making it more attractive for investors to invest money in mortgages, and I shall deal with that in my prepared speech. But before I get on to that I would point out that he said the amortization period should be lengthened and that the former government had lengthened it and I understood the implication to be that the present government had not done so. If he will remember, in our legislation of a year ago—

**Mr. Garland:** Mr. Chairman, if I may interrupt the hon. minister, I was not seeking to make that point at all. Perhaps it was due to a poor choice of language on my part, but what I sought to point out was that the government of the former day, through Central Mortgage and Housing Corporation, had shown a leadership which had been responsible for stretching out the amortization period. I thought I said that took place during an earlier period, but the time has now come when a further stretching out might be considered.

**Mr. Green:** Well, the present government has extended the period from 25 to 30 years. Mind you, the lending institutions make the decision as to how long the term should be for repayment, and I understand that in most cases they will not go beyond 25 years, but under the legislation they can do. The hon. member for Nipissing is aware that we changed the policy in December of 1957 to make a longer period for repayment possible.

One of the aims of these amendments is to make it more attractive to private investors to invest in mortgages. Some lenders whose powers of investment extend to securities guaranteed by the government of Canada have felt that National Housing Act insured loans did not fall into this category since the insurance fund guaranteed 98 and not 100 per cent of the face value of the mortgage. We believe that by eliminating the 2 per cent reduction the National Housing Act will permit trustees of pension funds, executors, trust companies and other private sources of investment to contribute to capital investment in housing. I agree with the hon. member for Nipissing that this change will have to be watched. He said it might react in the wrong way. We do not think it will, but we certainly will be watching the position, and if there needs to be a further change we will make it.

When a private investor decides on the form of his investment, he has to consider two elements, each depending in part on the other. He first looks to the return and security of his investment. Then he looks to his ability to trade or hold the investment. The 1954 act recognized the importance of liquidity of housing mortgages in encouraging investment in this field. The act permits the sale and purchase of insured loans, not only between approved lenders, but also to other corporate investors and to private individuals.

In the past few years a market in insured loans has grown up. Last year alone some \$42 million insured loans were sold. Since the 1954 act was passed, mortgage transactions have amounted to nearly \$172 million.