

National Housing Act

of Commons, perhaps I should say to him that I cannot answer that question now. I made that point in my statement, the reason being that the interest rate must be determined by the governor in council. The interest rate on mortgage loans will be related to the interest rate obtaining at the particular time on long-term government bonds. That is something that will have to be determined at the time the act comes into effect and be fixed then by the governor in council.

Mr. Small: My only reason for posing the question at the present time, Mr. Chairman, is that it has a great bearing on this matter, and probably it would remove the necessity for a great deal of discussion if we could have these figures beforehand. After you get through with the down payment, the cost is amortized over a 30-year period. The lending companies, or those who are going to supply the money for the building of homes, set a rate and you must have an assured income of so much per year. Having regard to the rates that have been set, whether it is on a 20-year or 30-year amortization plan, there is no workingman who can comply with the demands of the lending companies.

I should therefore like to have the information during the interval in order that we might study it further. We might then be able to see whether the recommendation made by the minister comes within the ambit of what the man who is earning an ordinary salary can afford to pay for a home.

Mr. Ellis: Mr. Chairman, there are one or two observations I should like to make. We welcome the announcement that amendments are to be made to the National Housing Act, but there are a number of matters which I believe should be included in any changes in the national housing legislation.

I think there are two aspects of housing that should be given consideration by the government. Something has already been said about providing homes for those who wish to own their own homes through a lower down payment, and so on. I feel, however, that this is only part of the problem. There are many of our citizens who are not in a position to make the down payment needed to purchase a home. I am thinking, for instance, of those who move into a locality and do not know how long they are going to be living in that area. I feel that the government should not overlook the important question of low-rental housing. In other words, I believe our emphasis on housing has been in one direction. I think it is a worth-while objective to see that as many Canadians as

possible own their own homes. But I feel that in the circumstances there are many people who are not in a position to purchase homes.

I say there are two reasons for this. In the first instance, as I have already pointed out, there are many—particularly among our younger people—who are not settled in employment and who move into a locality when they accept employment, not knowing how long they are going to be there, and who find that it is virtually impossible for them to undertake the big step of buying a home. Then on the other hand we have many of our citizens whose incomes are so low that, irrespective of what changes we might make in the housing legislation, they would not be in a position to buy homes at the present time. I feel that those people with very low incomes ought to be in a position to obtain decent low-rental housing.

I want to say that I believe the objective should be to have every Canadian family own its own home. But in the meantime I say we have a serious problem because of the fact that many thousands of Canadians are not in a position to buy homes at the present time. We cannot ignore them altogether. I believe the government has a responsibility to provide for low-rental housing, always bearing in mind, of course, the fact that the most adequate method is to make it possible for them to own their own homes.

As to home building, we know there have been two major obstacles, apart from low incomes, of course. One has been the down payment required, and the second has been the high rate of interest. Central Mortgage and Housing Corporation made certain figures available just recently. We know that in 1951 the average house built in Canada cost in excess of \$10,000. During the same time the average down payment was in excess of \$3,000.

Through experience we have found that there are many Canadian citizens who are not in a position at this time to purchase a \$10,000 home. There are many of our citizens who are not in a position to make a \$3,000 down payment. I therefore feel that the changes in the act will be welcomed by that group. I believe, however, the key to the whole problem has been suggested by the hon. member for York South, namely the interest rate. We know only too well the difference that 1 per cent in the interest rate is going to make in the finance charges on a house.

We in this group have maintained that the interest rate ought to be set so as to make money available to home builders, not from the standpoint of the interest rate providing