

National Housing Act

put into mortgages on homes. That is not the actual situation. I have here the figures for the amounts lent during each of the years from 1954 to 1958 inclusive. In 1954 the approved lenders provided \$433.4 million; in that year C.M.H.C. provided only \$20.1 million. In 1955 the approved lenders lent \$559 million and C.M.H.C. \$16.3 million. In 1956 the approved lenders were down to \$387.7 million and C.M.H.C. lent \$19.4 million. In 1957 the approved lenders lent only \$260.9 million—of course, in the latter part of that year our small home loans plan went into effect—and C.M.H.C. lent \$233 million. But last year, 1958, approved lenders provided \$512 million. While the amount was not as great as the amount in 1955, it was practically twice as much as they provided in 1957 and was a great deal higher than the amount they provided in 1956 and in 1954. Then in order to complete the picture may I say that C.M.H.C. last year advanced \$375 million.

It would therefore be unfair to me to allow the impression to go out that the approved lenders had not been putting large sums of money into mortgages. I would point out that they did this last year in spite of the fact that the returns on various other types of investments were going up while the interest rate on mortgages—and certainly on N.H.A. mortgages—was held at six per cent. I have no doubt that these approved lenders obtained higher rates on their own mortgages which were not connected in any way with the National Housing Act. We have reason to believe that in the year 1959 they will put out approximately the same amount they advanced in 1958, and that will be a substantial amount of money.

Mr. Bourget: Will the minister permit a question? Is it not true that the banks are making their loans in the large centres particularly? Has the minister some figures on that point?

Mr. Green: I think it is a fact that many more loans have been made in the larger centres than in the smaller ones. This matter has been worrying officials of Central Mortgage and Housing Corporation and myself. The corporation is prepared to lend in the smaller centres, but throughout the policy is to be residual lenders or in other words to lend only where an applicant cannot get the money from one of the lending institutions.

Mr. Garland: I wonder whether the minister would mind my just commenting at [Mr. Green.]

this point. I think the point raised by the hon. member for Megantic was the percentage of money supplied through the normal lending institutions as against that supplied by Central Mortgage and Housing Corporation. I think the minister will agree that there is a marked difference between the figures for say, 1956, with \$387 million supplied through the normal lending institutions and \$19 million supplied by the corporation and those of last year with \$512 million supplied by the lending institutions and \$375 million by the corporation.

Mr. Green: Oh, yes; that is right. But I do not think we could expect the approved lenders to increase the amount they put into housing in anything like the same proportion that C.M.H.C. increased its loans. In effect, before the small home loans policy was adopted C.M.H.C. was not in the business of making direct loans except in small centres. Now they are in that business. Now we are lending everywhere, but on a residual basis. The picture has changed completely with the adoption of the small home loans policy.

Mr. Badanai: Can the minister tell the committee whether loans are available for applicants in small communities? I am speaking about villages with a population of a few hundred people. I am told that up to the present time people living in small villages—I mentioned this point previously—are unable to obtain these loans. I should like to get verification of that point because it is a question which concerns several localities in my constituency.

Mr. Green: No, Mr. Chairman; there is no policy against lending in the smaller centres. C.M.H.C. will lend in any centre, no matter what is the size of it. I think hon. members will agree that in these smaller centres there is not the same demand for new houses that there is in the larger ones. The great increase in population—unfortunately or fortunately—is taking place in the metropolitan areas. It is there, of course, that we find the huge demand for new housing. In the smaller centres life is going on much as it has gone on down through the years, and probably on a far more sensible basis than in the metropolitan areas. But in the smaller centres there is not the demand for new homes that we find in the metropolitan areas.

Mr. Herridge: I am very interested in that point because of the fact there are a number