

*National Housing Act*

could fool the public but people no longer believe in Santa Claus. The web of fairy tales and aura of mystery which was wound around the monetary system until recently, is gradually falling apart, and very soon the parties involved will have to tell the public the truth.

The Canadian people will have to be told that their country is productive and that that production and the wealth it creates should benefit the whole population—

**Mr. Deputy Speaker:** Order. The hour set aside for the consideration of private Members' business has expired.

[Text]

● (5:50 p.m.)

**NATIONAL HOUSING ACT****PROVISION FOR INCREASE IN ADVANCES TO CORPORATION**

The House resumed consideration in Committee of the following resolution—Mr. Nicholson—Mr. Lamoureux in the Chair:

That it is expedient to introduce a measure to amend the National Housing Act, 1954, to increase—

(a) from two and one-half billion dollars to three and one-quarter billion dollars the amount the Minister of Finance may advance to Central Mortgage and Housing Corporation for the purpose of making direct loans to borrowers to assist in the construction of houses and housing projects;

(b) from one hundred million dollars to three hundred million dollars the amount the Minister of Finance may advance or pay to the Corporation to make loans and grants relating to urban renewal schemes and to meet obligations incurred under urban redevelopment agreements;

(c) from fifty million dollars to one hundred and fifty million dollars the amount in the special account established in the Consolidated Revenue Fund out of which advances may be made towards public housing projects developed jointly by the Corporation and a province or any agency thereof;

(d) from one hundred and fifty million dollars to two hundred million dollars the maximum amount the Minister may advance to the Corporation for the purpose of making loans for university housing projects; and

(e) from six billion dollars to eight and one-half billion dollars the maximum amount of all loans in respect of which insurance policies may be issued under the Act.

At six o'clock the Committee took recess.

**AFTER RECESS**

The Committee resumed at 8 p.m.

[Translation]

**Mr. Rondeau:** Mr. Chairman, when the debate was adjourned at five o'clock we were considering resolution No. 5, more precisely paragraph (b) which deals mainly with mak-

ing loans and grants relating to urban renewal.

I gave as an example of urban renewal a pilot project carried out in Montreal, namely the "Habitations Jeanne-Mance", under which 796 dwellings were built between Sanguinet street, St. Lawrence boulevard, Ontario and Demontigny streets, which could house 2,697 people at the end of 1963, according to a statement made on March 2, 1964 by the minister responsible for Central Housing and Mortgage Corporation.

The minister also stated at that time that the cost of acquiring land and buildings amounted to \$6,883,406, the cost of tearing down slums to \$185,918 and the construction costs to \$10,667,912, for a total of \$17,083,133 to be amortized over a 50-year period.

Besides, it should be noted that those housing units will have to be maintained and there will be 14 people working for the "Habitations Jeanne-Mance", a limited dividend corporation in charge of the project.

In 1963—again according to Central Mortgage and Housing Corporation—the maintenance costs of those housing units amounted to \$128,733. It is expected that the cost will go up in the future, because of salary raises to be granted, no doubt, to the maintenance staff and because of the downgrading or depreciation of the housing units.

To pay for those costs, the Habitations Jeanne-Mance Corporation took in \$536,805 in rent during 1963.

The result is that to amortize the capital invested and pay the interests and maintenance costs there was an operating deficit of \$421,764 for the year 1963.

If we figure the annual receipts and deficits, we can see that in 1963 the total repayment cost amounted to \$958,569. If we multiply this figure by 50, which is the number of years required to repay the total amount, we arrive to the fantastic sum of \$47,928,450 for 796 housing units, which represents more than \$60,000 for each of those units at the end of 50 years.

During that period, the 796 tenants will have paid, according to the average \$50 rent, an amount of \$23,880,000, or a total yearly rent of \$600 per tenant, or \$30,000 during 50 years.

During the same period, supposing that the operation and maintenance costs, together with the compulsory reimbursement of capital and interest charges remain the same, the losses amounting to \$421,764 in 1963, the total of those operating deficits will reach \$21,088,200 after 50 years.