

National Housing Act

principle one of general application, and since the 1954 statute was enacted there has been no call to charge against the insurance fund at all. Therefore it is a very difficult concept to think in terms of asking all borrowers under the statute to pay into an insurance fund to protect the relatively few cases out of all the thousands of borrowers who have had mortgage money under the National Housing Act.

I think the number who have been subjected to foreclosure would be much less than 100. In other words the percentage is negligible. Therefore that is also a consideration when one thinks in terms of an insurance principle and the charges that go with asking people to contribute to an insurance fund. In reply to the hon. member's specific question, the answer is that this matter has been given a great deal of consideration but that at the present time the government believes the insurance principle is warranted only to guarantee an adequate flow of mortgage money into residential housing.

Mr. Vincent: The life of such mortgages being 25 years, I think the principle should be studied still further and that some consideration should be given to the situation. Last year I spoke to the president of Central Mortgage and Housing Corporation, who is in the house today, and placed the problem before him. It may not be a very vital problem today or a measure that is essential at this moment, but I think we should look into the future and that the officials of C.M.H.C. should not just drop the question but should keep on studying the matter to see how the insurance principle could work in case it should be needed in the future.

Clause agreed to.

Clause 6 agreed to.

On clause 7—*Contributions to municipalities for clearance of substandard areas.*

Mr. Bell: I should like to refer specifically to the situation in Saint John. May I say at the outset that we have a difficult slum clearance problem there because of the fact that Saint John, New Brunswick, is the oldest city in Canada. We also had a fire which completely destroyed the city. The entire city had to be rebuilt and naturally the houses are all of the same age and at the same stage of depreciation. What general plans are being negotiated at the present time with respect to slum clearance?

I should also like to ask this specific question. In the city of Saint John I understand that the municipality is planning to investigate slum clearance and planning generally, and that they have asked some experts from Toronto to come to the city this summer

and conduct a program in that respect. I was wondering whether the minister could say whether the costs of these experts, if there are costs, can be charged up to this section. I have just those two thoughts in mind, namely the general program and the specific cost of planning.

Mr. Winters: Under part V of the present statute we have made a grant to the city of Saint John to conduct a study of housing conditions there. The relationship is that the federal government pays 75 per cent of the cost of making the survey. I understand that it is either under way now or will be very shortly. Saint John has done quite a good job in public housing. They have an extremely active housing authority there. Several projects have been developed, all of which have turned out successfully, in my opinion, and have met a need. This is one of the places in Canada where I think good progress is being made in accommodating a class of citizens that perhaps otherwise could not have had the type of decent accommodation with which we have been able to provide them under the partnership arrangement provided by section 36 of the statute.

Mr. Ellis: In the explanatory notes of the bill I note the statement that the main part of the bill has to do with part III. I was wondering whether the minister could tell me how many projects were undertaken under the old part III, the part III that this act will supersede.

Mr. Winters: There have been only two cities in Canada that have taken advantage of the slum clearance section of the statute, although a good many cities, as I said before, have taken advantage of section 36 which is related to this matter dealt with in this bill before us now. The two cities that have taken advantage of the slum clearance section of the statute are Toronto, which has developed that large Regent Park North project, and St. John's, Newfoundland where a good job has been done in removing some of the slums that existed in that city.

Mr. Ellis: I was just trying to assess the result of the change suggested in this bill. I note that the main change seems to be in the formula under which the government will provide assistance to the municipality concerned. I note that under the present part III the government makes provision for a contribution based on the difference between the cost of the clearance and the eventual price realized from the project, and that under the proposed change the government will make the contribution on the basis of the over-all cost and will recover later.

[Mr. Winters.]