

National Housing Act

the house, and help to bring houses within reach of the ordinary working people of this country.

It is true that we also advocated a reduction in the down payment from 20 per cent to 10 per cent. According to the minister's statement this new legislation will, in so far as the Toronto area is concerned, reduce the down payment from 20 per cent to 14 per cent. There just are no \$8,000 houses available today in the Toronto area. The lowest price house available is around \$10,000 or more. The down payment, the minister tells us, on a \$10,000 house is to be \$1,400 instead of \$2,000. In other words there is to be a reduction from 20 per cent to 14 per cent in the down payment. In so far as there is a reduction in the down payment it is all to the good. It will enable people to get into some of those houses; it will enable more people to buy those houses, even though they may be undertaking to carry a bigger mortgage over a longer period of time and to pay a higher interest rate on that mortgage.

We also recommended in our six-point program that the amortization period should be extended, but we coupled both those recommendations, the lower down payment and the extension of the amortization period, with a reduction in the interest rate. Unless we can find some way of reducing that interest rate home owners are not going to get much benefit from this legislation, which reduces the down payment and extends the amortization period.

To meet the needs of those people I have been talking about, the people in the \$3,000 income bracket or less, the people who today just cannot rent and cannot buy, the returned soldiers with large families who just cannot find houses in our modern communities, we suggested that a rental subsidy fund should be inaugurated. As we said, it can be done if it is provided that only a municipality or a public housing authority would receive the subsidy. Subsidies should be granted on condition that the municipality or the recipient comply with the requirements of a comprehensive housing program.

A subsidy would permit a sharp reduction in the present high rents so that those in the low income brackets could build or rent homes under even more favourable conditions.

I want to reiterate our fifth point, that one of the difficulties we are having in securing housing accommodation today is due to the cost of land improvement and providing schools and other facilities. For instance, the municipalities adjoining Toronto are hesitant about entering into agreements with

the provincial and federal governments for the building of low rental houses because of the cost they would have to bear to provide schools and other facilities. As a fifth point we suggest that the federal government should make grants to the provinces to be turned over to the municipalities for the construction of schools and other public facilities, which at present are a heavy charge upon the municipalities when a new housing subdivision comes into being.

As I said before, all this new legislation does is modify to some extent the down payment, and extend the amortization period. But that is offset by the higher interest rates to be paid by the home owner. The premium on an insurance policy will be incorporated into the cost of the house, and will be an added interest rate which the purchaser must pay. Any benefit that may be derived from a reduction in the down payment and a lengthening of the amortization period will be more than offset by the over-all long-term increased cost to the purchasers of homes.

As I said before, this bill is simply further evidence of the fact that this government can see the housing needs of the people of Canada only through the eyes of the lending institutions. This government just cannot see the needs of the people of Canada in regard to housing except in terms of security for the lending institutions. Until the government is prepared to provide funds at the interest rate I have indicated, until the government is prepared to subsidize low rental housing for people in the lower income brackets, we are not going to be able to provide homes for the hundreds of thousands of people in this country who need them.

Until we provide these houses we will pay far more for the evils which result from overcrowding and slum conditions than it would cost to subsidize a good low rental housing scheme. I have not the slightest hope in the world that the minister can be induced to see the housing needs of the people of this country except through the eyes of the lending institutions, but I appeal to him now to take a careful look at this legislation. If he does I am confident he will see that while a few more people may be induced to buy some of these houses which are built, while a few more people will be able to move into some of these houses, this measure will not meet the basic need of the Canadian people for houses which can be purchased or rented at prices those in the \$3,000 income bracket can afford.

Mr. Hahn: Mr. Chairman, I do not wish to labour the question at this time, and I do not intend to keep the committee in session