

National Housing Act

therefore required before any redevelopment actions can be taken. Already several Canadian cities have undertaken such studies, or are now making arrangements to do so. The city of Toronto is now carrying out an intensive examination of its older residential areas through an arrangement between the federal, provincial and city governments. Requests have quite recently been received from four other major cities for aid in conducting such studies. For this reason we are proposing an amendment to part V of the National Housing Act. This part contains the authority for Central Mortgage and Housing Corporation to provide financial assistance in studying housing conditions and the proposed change would clarify the present authority for making grants to municipalities to aid local investigations of housing conditions.

With increased interest in these activities we are also proposing that parliament should be kept more closely informed of the expenditures that are made under part V of the act for community planning and research. Central Mortgage and Housing Corporation is authorized to conduct, encourage and assist investigations into housing conditions and for sponsoring programs of research, education and technical development which may improve the planning and design of housing in Canada. The act now provides that for these purposes cumulative expenditures up to \$5 million may be made from the consolidated revenue fund. The amendment will provide that from time to time parliament will be informed of the work that has been accomplished and will be asked to vote sums of money which will restore the corporation's authority for such expenditures.

Now I would turn for a moment to home improvement loans. While provision for such loans was in the federal legislation prior to the enactment of the 1954 act, it was not fully operative until February 1, 1955. Under this part of the act, that is, part IV, Central Mortgage and Housing Corporation gives to a bank a guarantee against loss as the result of a loan made for the purpose of improving or extending a home. At present a loan may not exceed \$2,500 for improvements to a single house, and \$1,250 for each additional housing unit in the building. It is proposed by the new legislation to increase these amounts to \$4,000 for a single house, and \$1,500 for each additional housing unit in the building.

From the first of February 1955 to the end of the year, loans totalling \$27 million were made by banks under this part of the act, the average loan being \$1,250. Twenty-four thousand houses were involved.

Under the same part of the act, so-called "home extension" loans can be made and

guaranteed. It is proposed to discontinue the provision in this part of the act; or more accurately I might say it is proposed to discontinue the terminology, because under part I of the act there is already provision made for insured loans for the purpose of effecting improvements to existing residential structures which will result in the addition of self-contained housing units. Such a loan may be for a greater amount than that allowed under part IV, secured by a mortgage and amortized over a longer period of time. We do not think it necessary or desirable that provision relating to this type of loan should be in part I as well as in part IV.

Under the revised legislation the fact that improvements result in the creation of a self-contained unit in an existing house will not make the loan ineligible as a home improvement loan. The present limitation of \$2,500 for the first unit and \$1,250 for each additional unit was established in 1949. The proposed increases to \$4,000 and \$1,500 will, I believe, permit home owners to undertake the extensive improvements required to modernize older houses and to increase space in others. This is in keeping with our policy of providing measures to assist in arresting the deterioration of older houses and improving them where feasible. The present five-year term of amortization of the loan is being extended so that, if borrower and lender agree, it may be as long as ten years.

Mr. Speaker, the bill contains a few minor amendments to the National Housing Act which are introduced to clarify the administrative procedures of Central Mortgage and Housing Corporation. I do not think it necessary to refer to these, since no important questions of principle are involved.

In conclusion I would like to remind you that this year marks the completion of a ten-year period during which the national housing legislation has been administered by Central Mortgage and Housing Corporation. In administering the policies determined by parliament the corporation has played a great and valuable role in its relationships with the housebuilding industry and with the financial institutions which invest in housing. Allowing for the differences of opinion that must arise in the normal conduct of a business so varied and widespread in character, I think I can report that these relationships have been continually harmonious and constructive.

I wish to use this occasion to pay tribute to the splendid work of the housebuilders, in our large cities and small towns, who have made this past decade a period of tremendous