

neighbourhood improvement, loans and grants will be available to homeowners within the neighbourhood for the repair and rehabilitation of their houses. Part of the reason that the rehabilitation section has been closely associated with the neighbourhood improvement program is the fact that a well-developed repair and rehabilitation industry does not exist in this country. There are no well-developed local by-laws for maintenance and occupancy, except in a few places. Nevertheless, the section is broadened so that, subject to federal-provincial agreement, the loans and grants for rehabilitation will be available in parts of cities, or in rural areas where neighbourhood improvement activities are not considered necessary or desirable by the municipality and province concerned.

Part IV.2 introduces assisted home ownership. This will not replace the public housing program, which will continue. It is intended to provide a wider range of choices to lower income families in search of housing. It is geared to income and provides for grants to individuals to assist them in making monthly payments of principal, interest and taxes. It is thought that in the low-cost areas of the country—that is, the small communities and some of the smaller cities—an assisted home ownership program will aid those with family incomes between \$5,500 and \$7,500 per annum. In the larger cities and the high-cost areas it will assist those with family incomes in the order of \$7,500 to \$9,000.

Section 34.18 deals with co-operative housing. This is the first time that a section of the National Housing Act has been devoted specifically to co-operatives. The purpose is to make it clear that co-operatives enjoy all the provisions of the National Housing Act, including the loan insurance sections and those relating to the activities of non-profit corporations, assisted home ownership and the rehabilitation of existing housing.

Clause 13 of the bill deals with experimental developmental projects undertaken by CMHC. This introduces the notion that CMHC should be authorized to assure part of the risk in highly innovative projects and those which might lead to important innovations in housing. The corporation is authorized to join with other governments, either provincial or municipal, or with industry in sharing the cost of innovative housing projects.

Section 42 of the act deals with land assembly, for which the loan arrangement in the National Housing Act expired a year ago last March. This is intended to improve and replace it. It improves it by widening the purposes for which land assembly loans can be made. The previous provision limited it to general housing purposes. The new program relates land assembly to general housing purposes and all uses incidental thereto. The loan arrangements are widened and the amortization period is lengthened to 25 years for land sold in fee simple and to 50 years for land leased.

The last of the new programs is the new communities program, which is intended for planned development of urban growth in Canadian cities in accordance with provincial growth strategy. It provides for a modest level of grants for the planning of new communities and for the acquisition of land for social amenities.

Other programs are introduced into the act. Section 8.1 of the act has been amended to extend the protection of the Mortgage Insurance Fund to homeowners who, by reason of failure of the builder to complete the house for

any reason, bankruptcy or otherwise, would be penalized. The Mortgage Insurance Fund can advance funds to the owner to complete the dwelling or pick up the liabilities of the owner due to the bankruptcy or failure to complete. This is the beginning of a complete warranty system that we hope will be introduced before the end of 1973.

Section 27.3 of the act deals with clearance projects of a minor nature following the disappearance of the urban renewal section. It has been brought to our attention by many cities that in some good neighbourhoods single buildings of non-conforming uses or obnoxious uses exist. Representations were made that the act should contain some method of dealing with these special circumstances, hence the inclusion of section 27.31, which allows this outside NIP areas.

Section 37.1 of the act deals with grants to non-profit corporations as startup funds. Many non-profit corporations in this country are well organized and sponsored by service clubs, churches, labour unions, municipalities, et cetera. Non-profit corporations of this type are well able to take advantage of the National Housing Act. Other non-profit corporations, such as those sponsored by Metis or low-income groups, require assistance even to make an application for a project. Section 37.1, therefore, provides startup funds to a maximum of \$10,000 per project to enable non-profit corporations to organize, obtain their charter, option land and develop their plans.

Section 59 of the act makes a change to the loans to Indians on reservations. The former section allowed CMHC to make loans to Indians on reservations for the construction of new housing. The new section allows the corporation to make loans on both new and existing housing and for the improvement of housing. This will ensure that the loans to Indians on reservations and, indeed, to the Metis enable them to enjoy all the provisions of the National Housing Act which are useful to them.

I will now discuss the housekeeping amendments. Section 21 is amended to increase the corporation's authority to make direct loans from \$8 billion to \$10 billion.

Section 12 is amended to raise CMHC's authority to insure loans made by the approved lenders from \$16 billion to \$19 billion.

Section 39.1 is amended to raise CMHC's authority for expenditure for the conduct of research into housing activities from \$15 million to \$25 million.

One or two other minor housekeeping amendments to the act are included, which we will come across as we go through the bill.

My colleagues and I will be happy to answer any questions that honourable senators may have.

**The Deputy Chairman:** Senator Bourget, do you have a statement to make?

**Senator Bourget:** I would like the other senators, who have been listening to me on two occasions being asked questions, to proceed with their questions. I may have questions to ask later on.

**Senator Bonnell:** We have seen, with CMHC and in connection with this legislation, reference to low-income housing, low-income people. What is meant by "low income?" Is it the same for all Canadians from one coast to the other? What is the figure and who sets it?