

APPENDIX

(See p. 486)

REPORT OF STANDING COMMITTEE ON FINANCE

THURSDAY, August 7, 1958.

The Standing Committee on Finance, to whom was referred the Report of Central Mortgage and Housing Corporation for the fiscal year ended December 31, 1957, reports as follows:—

On May 20, 1958, the following order of reference was adopted by the Senate:

“That the Report of Central Mortgage and Housing Corporation for the fiscal year ended 31st December, 1957, be referred to the Standing Committee on Finance for consideration and report.”

Subsequently the Committee held eight meetings and heard evidence from the President of Central Mortgage and Housing Corporation, Mr. Stewart Bates, and other bodies interested in the building of houses. The evidence adduced was sufficient, in the opinion of your Committee, to justify the early adoption of the recommendation set forth herein.

1. Central Mortgage and Housing Corporation

A study of the evidence given by the President of Central Mortgage and Housing Corporation and after witnesses shows that the position of the Corporation is one of major importance to the economy of this country. Your Committee feels that the creation of conditions which will encourage a vigorous house-building program is one of the prime duties of Central Mortgage and Housing Corporation. At the present time, this duty is, in the opinion of the Committee, being fully discharged.

It is evident that attention is being paid by the Corporation to the requirements of efficiency and economy in the use of public funds. Your Committee feels that the reduction in staff, without loss of efficiency or service, and its consequent saving in money is singularly praiseworthy.

As the interpreter and administrator of the Federal Government's housing policy, under the National Housing Act, Central Mortgage and Housing Corporation is, in the opinion of your Committee, diligently discharging these duties.

The Annual Report for the year ended December 31, 1957, which has been under study by your Committee, is a full and frank statement of the housing activities carried out during the year 1957.

Exhibit 1 shows the various reserves available for Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantees. From the evidence given on this subject, there appears to be some doubt as

to whether the reserve fund for mortgage insurance is adequate or excessive. The Committee feels that a closer study of this fund is warranted. At the same time, it is the opinion of this Committee that an adequate margin of safety must be accumulated before any reduction in the mortgage insurance fee is contemplated.

Your Committee therefore recommends that an actuarial study be made of the Mortgage Insurance Fund, with a view to ascertaining the point at which a reduction in the mortgage insurance fee might be warranted.

2. Mortgage Insurance on Existing Residential Real Estate

Throughout the proceedings, frequent mention was made of the desirability of providing home ownership facilities for people of low income (See Exhibit 2). One method by which this could be partially achieved would be to extend the facilities of the National Housing Act to modest existing houses.

Such an extension does not appear to be appropriate at the present time. The Committee feels that Central Mortgage and Housing Corporation should keep this subject under constant study with a view to advising the Federal Government of a suitable time for such an amendment. It is suggested that if and when the time for such an amendment arrives the facilities be limited to home owner loans and that a modest loan limit be applied.

3. Loans for University Students' Dormitories

The Committee listened to evidence presented by the National Conference of Canadian Universities of the growing need for providing accommodation to resident students.

At the present time, the Federal Government is facing increasing demands for financial assistance for various housing purposes. The Committee is of the opinion that housing people, particularly those of low income, deserves the utmost priority. To this end, the largest percentage of available mortgage resources, both federal and private, are presently required. The provision of hostel accommodation for universities is both desirable and necessary. At the present time, however, the federal funds available under the National Housing Act are fully required for housing purposes.

While sympathizing with the University authorities in this problem, your Committee does not feel that a recommendation for an amendment to the National Housing Act permitting the use of federal funds for financing such accommodation is merited at the present time.