

National Housing Act

Mr. Winters: I would say the latter is the case. We have obligations against the fund of over \$600 million worth of residential mortgages, and I would be hesitant to do anything that would run the risk of making the corporation unable to meet any obligations that might possibly come against this fund. I do not foresee any. The Canadian economy is strong and the fact that we have had no charges against the fund now indicates that mortgages are in a healthy position, but I do not think \$12 million to guarantee a total amount of over \$600 million is too much at this stage of our experience.

Clause agreed to.

On clause 5—*Aggregate maximum of four billion dollars.*

Mr. Fleming: In clause 5 we have a provision that section 13 of the act is to be changed in order to raise from \$2 billion to \$4 billion the aggregate amount for which insurance is to be provided under the mortgage insurance fund scheme of the act. Would the minister give the committee a report as to how far the fund is committed, and how this figure of \$4 billion has been chosen as the desired increased amount?

Mr. Winters: At the end of 1955 the figures I have indicate that commitments have been given of more than \$1 billion, and that undertakings are being made at the rate of about \$600 million a year. The present ceiling of \$2 billion would be reached about the middle of next year.

Mr. Fleming: If the present rate continues, then, the new \$4 billion ceiling would be reached probably around 1960?

Mr. Winters: That is right, because I thought it was logical that the ceiling should be set at such a level that the minister would be required to come back to the house during the course of the next parliament.

Mr. Fleming: I wonder if there should not be a little more control on the administration than that? After all, the doubling of this huge amount would mean, even if the present substantial rate of commitment continues, that the \$4 billion fund would be ample to meet all current requirements at least until 1960. That means it would not be necessary in the ordinary course, so far as one can foresee, for the government to come back to the house for another four years.

I wonder if that is not too long, with a view to maintaining strict parliamentary control while at the same time affording every opportunity to make financial provision adequate for all foreseeable needs, and in that way to make the provisions of the act as efficacious as possible. I ask if it would not

[Mr. Hahn.]

suffice to increase this already substantial total ceiling to, say, \$3 billion. In the ordinary course that would mean that the \$3 billion limit would be reached, say, about the beginning of 1959. Surely that is quite long enough when we are dealing with substantial amounts of money like this. After all, \$2 billion is still a large amount of money, in spite of the astronomy that we resort to in this house at times in regard to expenditures and commitments.

I raise that point quite seriously, as to whether all apparent needs would not be fully provided for and at the same time more effective guarantees of parliamentary supervision and control preserved by making the new ceiling \$3 billion instead of \$4 billion.

Mr. Winters: I am sure the hon. member is aware that these figures we are talking about are not government expenditures at all. They are just ceilings of commitments by the lenders.

Mr. Fleming: But the principle of parliamentary control is involved. It is a question of commitment rather than expenditure.

Mr. Winters: I think parliament should have adequate opportunity to scrutinize the operations of Central Mortgage and Housing Corporation and its administration of the terms of this statute. The hon. member will see, as we get through the various sections of the bill now before us, that we are making provision to give parliament more scrutiny than it has had before of the operations under the statute, and particularly those provisions that involve the expenditure of moneys provided by parliament.

This is simply our authority to guarantee mortgage lending up to that level, and I personally am of the opinion that \$4 billion is a reasonable figure in relation to our present commitments and the rate at which mortgage loans are being guaranteed at the present time. I might say to the hon. member that at the outset there was a feeling that the figure should be somewhat higher, but after we gave a great deal of consideration to this particular point we decided that \$4 billion was reasonable in relation to the present ceiling of \$2 billion and the rate at which loans are being guaranteed now.

Mr. Fleming: I do not think the point the minister is making is nearly as sound as he seems to think. What we are dealing with is the right to make commitments that are binding upon parliament, binding upon the public treasury. It is quite true that we are not dealing with expenditures. It is not as though we were voting money in the estimates for expenditures; nevertheless it is