

Mr. KNIGHT: Speaking on subsidized housing on the main motion—this is the first time I have spoken on that subject—I am making this point, as I have made it before, and I shall have finished when I do so. Accommodation provided by the Saskatchewan department of reconstruction was good and was cheap; and I am still waiting for proof, in figures, of the minister's statement, which will be found at page 4178 of *Hansard*, that the Saskatchewan government charged these people more for accommodation than the accommodation could have been obtained for elsewhere. He expressed that idea in the following words, which I quote from page 4178 of *Hansard*:

Rentals for the housing, largely paid for by the federal government, operated by the socialist provincial government, are somewhat higher than in corresponding localities in the rest of Canada.

Once more I challenge the right hon. minister to verify that statement with the facts and figures which, on page 4178, he says are in his possession. I quote:

I know the figures.

And again:

I know the facts.

He is a responsible minister of the crown and perhaps he would share his knowledge with the house.

Mr. SPEAKER: Is the house ready for the question? Mr. Howe moves that the bill be read the second time. Is it the pleasure of the house to adopt the motion?

Mr. MacINNIS: On division.

Motion agreed to on division, and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

On section 1—Powers of approved lending institutions.

Mr. NICHOLSON: Would the minister explain what is involved in making this change? The section provides that "section 3 of the National Housing Act, 1944, chapter 46 of the statutes of 1944-45, as enacted by section 1 of chapter 40 of the statutes of 1947, is repealed and the following substituted therefor". The hon. member for Eglinton mentioned earlier that, in every session since he came into the house in 1945, the minister has come to parliament asking for minor changes and assuring us that, if those changes were made, the job of building houses would go on. The minister should give us information as to why this change is necessary; and particularly, in connection with paragraph (b), why is it necessary to "purchase from the corporation

any first mortgage or any interest therein that the corporation is by subsection 3 of section 3B of this act authorized to sell."

Mr. HOWE: Clause 1 amends section 3 of the National Housing Act by empowering lending institutions to invest their funds in the purchase of mortgages from Central Mortgage and Housing Corporation. As the section now stands, approved lending institutions are authorized to lend money up to the amounts specified in the various sections of the act relating to joint loans. These amounts are eighty per cent of the lending value of rental projects, and higher percentages in the case of home ownership loans. The amendment adds the power to purchase mortgages from the corporation.

The mortgages referred to are those which the corporation has, or will have, arising from two sources. The first group consists of mortgages which may be taken to secure the balance of the purchase price of wartime housing units which are, for the most part, sold on a deferred payment basis. In the first instance, an agreement for sale is entered into, with the proviso that when a certain percentage of the sale price has been paid by the purchaser, he may receive title and give a mortgage back for the unpaid balance.

The second group of mortgages that may be affected by this clause are those which the corporation takes to secure direct loans under section 31A of the National Housing Act. Last session the corporation was authorized to make these direct loans to finance the construction of a house or a housing project when joint loans were not being made by approved lending institutions.

In addition to the outright purchase of mortgages, lending institutions are by this amendment authorized to purchase an interest or share in a mortgage from the corporation. In such event, a mortgage so purchased is placed in the same position as if it had been a joint mortgage in the first instance.

As hon. members are aware, life companies and trust and loan companies are limited by their charters and by statute regarding the amount they may invest on the security of a mortgage. The amendment is necessary to ensure that they will not be violating any of their restrictions by purchasing such mortgages from the corporation.

Mr. FLEMING: May I ask the minister whether the clause in question has been the subject of discussion with approved lending institutions, and to what extent they have signified their intention of exercising the powers proposed in the section?