

funds", and datelined Sudbury, Ontario. I quote briefly from the article:

A spokesman from the federal department of Indian affairs told delegates to an Indian conference here they should look elsewhere for housing funds and not rely solely on the department.

Stan Bailey, housing finance and winter works programs liaison officer for the department, told representatives from 24 reserves the department has "frustratingly limited" resources.

Mr. Bailey was addressing 40 representatives of reserves in the Robinson-Huron treaty area who met here during the weekend.

He said the department has just over \$3 million to spend this year on new Indian housing projects throughout the province. He was responding to Indian chiefs who complained of inadequate housing, a lack of public financing for housing and a large backlog of housing construction requests.

The article goes on, but I do not have the time to quote from it at length, in addition to which quoting from newspaper articles is a dull business anyway. I am interested in what might be done about this question. If Indian affairs does not have the necessary funding, why is it necessary to depend entirely on Indian affairs for this amount of housing assistance for our native people? It seems to me that the very fact we have an Indian affairs department at all tends to set the native people apart. They are people and they are Canadians, and I do not see any real reason for not financing their housing needs through CMHC, as well perhaps as other needs such as health care.

Section 15 has been used extensively throughout Canada. It provides loans up to 95 per cent for housing for other Canadians. These loans are provided to non-profit societies, old age pensioner groups, service club sponsored groups and Legion sponsored groups. Certainly our Indian and Métis groups and associations qualify as non-profit societies. I suggest to the minister that he urge the government, in caucus if necessary, to let our native peoples participate in CMHC loans and amend section 15 so that loans up to 100 per cent of project cost could be made to them, making the federal contribution in cash up to 10 per cent of project cost, thus matching the provinces.

From time to time I attend the opening of large, senior citizen high-rise developments to which there is usually a triple contribution, even a quadruple contribution—the municipality, perhaps a service club, the federal government and the provincial government. Invariably I am embarrassed by the total grant provided by the provincial government and the loan, with up to 35 years to pay, provided by the federal government. The date of the loan is of significance. If you happen to have a loan dated four days before a neighbouring municipality's loan, the interest rate for which is half a per cent higher, this means an additional \$10 a month rental of the suites. Therefore, I suggest it would be really worth while if 100 per cent loans could be provided, with 10 per cent in cash matching the provincial contribution, and that the loans be not only for senior citizen housing but housing that is desperately needed by native people.

Another suggestion I would make is that whether it be a grant or whether it be a loan, it is the people's money. Even if the loan is financed over 35 years, it will be Canadians who will repay the loan. Another suggestion of merit is to make subsidized interest rates available to substandard housing on reserves.

An hon. Member: And to replace the government.

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Mr. Rose: We will have to wait a couple of weeks for that. We should make subsidized interest rates on substandard housing available on Indian reserves. Most provinces are willing to make direct grants to support this kind of project. Why not extend it to Indian reserves and co-operatives throughout the country?

The Acting Speaker (Mr. Boulanger): Order, please. I recognize the Parliamentary Secretary to the Minister of Finance (Mr. Buchanan).

Mr. Rose: I have not finished, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Oh, yes, you have.

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the government has for some time now been taking various steps to increase government assistance toward the funding of housing for Indians. During the fiscal year 1972-73, over \$23 million will be spent on Indian housing, improvements and services. Over 12,000 houses have been built since 1965-66 when the Indian housing program was begun, and over 2,000 houses are expected to be built in 1972-73. During the past year a number of Indian band councils approached the department regarding guarantees by the minister in respect of loans for housing projects. When such proposals are viable, the minister's guarantee is given.

In 1971, for example, one Indian band obtained a loan of \$194,000 from CMHC, repayment of which was guaranteed by the minister. Rents will be charged by the housing committee on a graduated rent to income scale. The units will be fully equipped and services will be provided. As the annual operating, maintenance and amortization costs will substantially exceed the amount the housing committee expects to recover from rental charges, the minister has agreed to pay the annual shortfall.

Officers of the Department of Indian Affairs and Northern Development are currently negotiating with officers of CMHC in an effort to work out ways and means whereby borrowing arrangements for construction of houses on Indian reserves may be of greater assistance to Indian people. One of the objectives of these negotiations is an arrangement whereby Indian borrowers in the low income brackets would be entitled to lower interest rates.

The department also administers an off-reserve housing program whereby Indian people can obtain from the department second mortgage loans, based on the amounts of their income, and first mortgage loans from CMHC or approved lenders. If the first mortgage instalments are paid regularly, second mortgage payments are forgiven at the rate of 10 per cent per year over a 10-year period. It is my understanding that in a number of provinces reservations are using the \$8,000 per unit allocation they receive as the down payment and getting the balance from the CMHC, and thus are able to build substantially more homes than they would with the basic \$8,000 per year grant they are getting.