

*National Housing Act*

eviction notices to a score of families in these big old houses that spawned the Calgary organization that tossed tomatoes at the Prime Minister. One would think that having tomatoes tossed at one would make one reflect on one's statement that there is no housing crisis, the statement which prompted the tomato tossing.

Now, to deal with the minister's bill. There are 21 clauses in it. Clause No. 2 removes the interest ceiling, no. 3 cuts the insurance fees in half. Clause no. 7, as the minister pointed out, makes changes, and I think significant changes, in the low rental housing area. The change in clauses 9, 11, 15, 16, 17 and 20—almost one third of the bill—is that the Governor in Council no longer needs to approve of certain decisions by Central Mortgage and Housing Corporation. The task force suggested cutting red tape at the municipal level, but C.M.H.C. and the present minister have made what I think is a very smart move in this direction, although he did not refer to it in his speech, by giving C.M.H.C. greater independence. It is a step that I believe could quite easily be supported by everyone. Four other clauses in the bill increase the ceiling amounts of loans by several millions, and by hundreds of millions of dollars in some cases. As the minister has explained these should carry the act through until, say, 1971, when we will have to increase the ceilings again.

Clause 14 provides for some increase in research. I wish it were more because I think the only way we are going to solve the housing crisis which affects the poor people in Canada is by some major breakthrough in cutting down the costs of building homes. If I had my way, instead of running around with a task force I think I would take a leading architect, some leading industrial engineers, and some leading builders, lock them up in a room and tell them to come out in a month's time with a program that would bring the benefits of mass production into the housing field, possibly using new materials and certainly using the best new techniques that could be devised. Unless we make an approach on that line we will always be struggling with the very serious financial problems that beset homebuilding in Canada.

● (3:50 p.m.)

Now, resuming the résumé of the bill before us, Mr. Speaker, I think there is an improvement in the student housing situation. Some more flexibility is brought into that field. I think this is a commendable step. Indeed, of all the features in the legislation,

perhaps the only one with which one could seriously quarrel is that which removes the ceiling on the interest rate on mortgage borrowing. I will have something to say about that in a few minutes. Looking at the accomplishments of the minister as contained in the bill, I would say some five recommendations of the task force on housing are included. The task force, as we know, made some 45 recommendations altogether. In addition, the minister very sensibly has reversed the decision of the former minister to freeze low cost rental projects, public housing projects. He is allowing them to go ahead but faces the problem of finding the same solution the former minister sought, that of coming up with better criteria and better types of public housing. However, the result of the decision by the former minister is that public housing projects have been postponed because of the freeze for approximately six months. This has added very seriously to the problems the poor people of Canada face in respect of having a good roof over their heads.

While the minister dispenses a pretty interesting and tempting package of proposals for us, the Minister of Finance (Mr. Benson) is at work. The Minister of Finance has presented to us Bill C-191 which by clause 15 would impose certain new taxes upon the insurance companies of Canada. In 1967 the total mortgage portfolio held by the life insurance companies in Canada amounted to \$6.6 billion. This represented 50 per cent of their total assets. In other words, the housing industry in Canada could not exist without this massive amount of money the private sector has made available. The best opinion we have, however, is that this clause 15 will result in a 15 per cent increase in the tax and operating expenses of the life insurance companies with the further result that \$90 million less will be available for mortgage funds. If we use the yardstick I noted that they invest about half their assets in housing then we can expect a \$45 million decrease in the funds made available by life insurance companies for mortgages. That I suggest is a rather substantial blow to the home building industry of Canada.

As Mr. K. R. MacGregor, the president of The Canadian Life Insurance Association and before that superintendent of insurance in the federal government, noted on "Viewpoint" on May 12:

The broader effects of the new taxes will be felt more in the extent and nature of the capital provided through life insurance companies. Since the war, the life companies have financed about