

National Housing Act

senior citizens have no savings and are unable to pay the 10 per cent required by the act.

I think the main thing is to provide housing for senior citizens. I gathered from the minister that there was some hesitancy or reluctance about going too far in the provision of housing for a particular group of citizens, and those to whom he was referring were our senior citizens.

Mr. Bryson: Mr. Chairman, I should like to make one or two comments regarding the situation in Saskatchewan. There seem to be three points where there is a difference of opinion between the government and the people in Saskatchewan, but these points apparently are receiving further consideration by the department.

One point at which we were at variance was as to the number of hostel units and the occupancy of those units. As hon. members know, we in Saskatchewan have put a different interpretation upon the act and have been building hostel units on the basis of one hostel bedroom unit for every ten general units. That has been done under section 16 of the act and does not apply to other provinces. In spite of that we were restricted to a 50 per cent occupancy of hostel type units. We believe that should not be the case, and I understand the government is now giving serious consideration to the request of Saskatchewan. I hope the minister will look with favour upon that request.

The second point had to do with double occupancy of hostel units. Again I understand the government is giving serious consideration to this request.

We asked that June 1 as a cut-off date for applications for limited dividend type accommodation be extended until October 1. I understand that this request is being given serious consideration by the government.

Clause agreed to.

Clauses 2 and 3 agreed to.

On clause 4—*Mortgage insurance fund.*

Mr. Hahn: Mr. Chairman, I was interested in the remarks made today with respect to senior citizens, and this subject formed the main part of my remarks during the debates on April 23 and April 26. During the debate on April 26 I asked the minister if there had been large commitments under the insurance fund, and he indicated that there had not. There are some other questions I should like to pose and a suggestion I should like to make in respect to the fund.

What is the present amount in the insurance fund? Is the fund in liquid form, or has it

been paid out to other insurance companies? I understand from the minister's previous answer that there are no commitments, so it would appear that the fund is bigger than it need be. If the fund is in liquid form, and as the rate of 2 per cent on mortgages running up to a total of \$1 billion would return something like \$20 million a year, I would suggest that the money be reinvested in homes for senior citizens at reduced interest rates.

Mr. Winters: The fund stands now at something over \$12 million. There have been no charges against it so far. It is liquid and is invested in government securities, the interest from which accrues to the fund under the provisions of the statute.

Mr. Hahn: Has consideration been given to reinvesting it in a scheme of homes for senior citizens wholly owned by the dominion?

Mr. Winters: No consideration has been given to that, and I think it would be difficult to carry out. This is an insurance fund to guarantee certain obligations, and I think we are under an obligation to keep it in liquid form so we can discharge quickly any commitments which might arise. The hon. member knows that a substantial change was necessary in the Bank Act before we could induce the banks to lend against the security of residential mortgages, and this is one of the provisions that made that possible.

Mr. Fleming: The fact is that the government could not lawfully use the insurance fund for the proposed purpose.

Mr. Hahn: I am satisfied with the statement of the minister that the fund must be kept solvent at all times and that my suggestion would require a change in the Bank Act, but I would draw to his attention that when making these particular changes—we know that we pay our senior citizens a regular income—that there could be an automatic charge on the old age pensioner in the way of rental and so continue keeping the fund itself solvent. Certainly, as it is indicated at this time that there is no demand on the fund we can only hope that conditions will remain such that the demand will not be too great and that the fund should not become too great in itself.

Therefore I contend that some consideration should be given to this other aspect of the reduction of the interest rate. I am not sure that the fund has been in operation long enough for the actuaries to determine whether a reduction could be contemplated at this time, but what consideration is being given to the reduction of this rate? Would the minister say that possibly the fund has not been in operation long enough to determine that at the present time?