

National Housing Act

situation, the provinces follow, the municipalities also, and automatically everyone benefits. The municipalities might thus become more interested in the matter of water pollution.

Mr. Speaker, I have only one remark to make before concluding my observations on urban renewal. The subject is not dealt with too much in these amendments but we, from the province of Quebec, are conscious of this increasing problem and the elimination of slums must precisely be foreseen; housing conditions should be improved in some wards of our great as well as our small municipalities.

And while congratulating the government for having concluded an agreement last year with the provincial government—with the result that some studies were carried out in certain small municipalities throughout the province—I hope the negotiations will go on and that, in the near future, we shall be able to see concrete examples of municipalities, especially in the province of Quebec, going ahead with urban renewal projects, with perhaps increased assistance from the federal government, as regards the clearing up and elimination of slum areas.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my remarks at this stage of this bill will be very brief. I support the various points that have been made by my colleagues, but I should like to direct the minister's attention to one section of the National Housing Act which is not being amended by this bill but which I believe should be amended. I refer to section 16 of the National Housing Act under which provision is made for the construction of homes by limited dividend corporations.

As the minister knows, there have been very few amendments to section 16 since what we now call the original act was produced in 1953 or 1954. There is, as I say, one amendment which I think ought to be considered. Section 16 is working very well, and my information in this regard comes from people and agencies involved in housing for senior citizens.

Most senior citizen housing is constructed under section 16 of the act. However, as the act now reads and as it has read since 1954 the maximum amount of the mortgage that can be obtained is 90 per cent. That amount sounds very high and it may appear that when we are asking for more we are reaching

[Mr. Laniel.]

for the moon, but these are days when everybody is reaching for the moon and we may even get there. Let me make the point that as the legislation now stands, the 90 per cent figure relates, as I understand it, only to the land and buildings and not to such things as stoves, refrigerators, washers and other equipment which must be supplied. This means that the amount the municipalities have to put up to get senior citizens' housing developments started is often higher than 10 per cent. This is very difficult for the municipalities when you consider the strains on their budgets.

The government has already recognized that in helping to provide housing for senior citizens we are providing something that is reasonably permanent. The legislation already permits 50 year mortgages in this field. There is no fear of the loans not being repaid, because this is the kind of investment that in a very real sense pays a dividend. The fact that the municipalities have to put up 10 per cent plus these other costs is a limiting factor which seems to me might be altered. If we could get this percentage increased we could greatly increase the building of this kind of housing.

Let me remind the minister that in the United States under the F.H.A. there is a provision for loans to the extent of 98 per cent. As a matter of fact, the legislation in that country seems to suggest that loans of 100 per cent are available but that the so-called limited dividend corporations must have sufficient working capital to put on deposit an amount equal to 2 per cent. Therefore the figure of 100 per cent for effective purposes is reduced to 98 per cent. I do not suggest that we should copy the United States in all respects. Indeed, I could point to one or two instances where our legislation in this field is actually better than theirs. Nevertheless, there is an opportunity here to go all the way in showing federal support for the building of senior citizens homes and other kinds of housing that can be constructed by limited dividend corporations under section 16 of the act.

It is also true, and this is part of what my colleagues have been saying, that it would assist those municipalities which are interested in senior citizens homes if the interest rates under section 16 which apply to limited dividend corporations could be reduced. After all, this is an area that is now accepted as one in which we should be doing the best and the most possible.

On behalf of those who are giving their time, efforts and services in the field of senior