

National Housing Act

to enable it to lend for the construction of students' residences as a result of which universities, school boards or provincial authorities are encouraged to take advantage of this legislation. This also improves the previous legislation.

However, Mr. Speaker, I think that if the National Housing Act is to become really effective, it will have to be improved a lot in many ways.

The 1954 National Housing Act, still in effect today, provides under section 6 that when the corporation authorizes a loan, the lender retains a percentage to cover the insurance.

At that time, this may have been considered as an advantage or a protection for the lender, but not for the borrower because, according to my information, and the minister can correct me if I am wrong, this amount of 2 per cent which is retained every time a loan is made has, of course, protected the lender but has nevertheless taken that much away from the borrower, and thus considerable amounts have been accumulated from year to year.

And I wonder if it would not be advisable to remove or lower the rate of that insurance, so as to ease the burden of the individual who wants to buy a house but who still has an average down payment of at least \$1,000 to make; now, I submit respectfully that when a house is built according to standards established by engineers and experts of Central Mortgage and Housing Corporation, under the direction of a responsible contractor, the retention of this 2 per cent for insurance is not really necessary.

In the case of some other acts, for instance the act concerning the C.N.R., should there be a deficit, the federal treasury will cover it; should there be a deficit in the administration of the C.B.C., again it will be covered by the federal treasury. I really think that it would be advisable to consider the possibility of removing this compulsory retention to cover insurance costs every time a loan is made.

Would it not also be advisable, and I am making these suggestions to the minister who presented these amendments to the house, to cancel the down payment in the case of each new family which intends to buy a house?

I think such steps would tend to encourage young couples to own a house; it would also mean a moral guarantee for our youth, or

[Mr. Laflamme.]

rather it would show that the government of the country has confidence in all newly married couples anxious to build or buy a house.

Obviously, it must be understood—I point it out with all due respect—that this may involve considerable amounts which it probably behooves the Minister of Finance (Mr. Sharp) to supervise and control; but is the purchase of property not a problem of such social importance as to warrant due consideration from the government?

We trust the committee on finance, trade and economic affairs will pass the measure providing amendment to the Bank Act and so, within a few months, banks will likely be able to grant mortgage loans, and conventional loans. We can then judge to what extent banks will deal with that market.

I wish to point out that, nevertheless, the amendments already passed will have a tremendous effect on home owners generally, because there is no doubt that some have repairs to make while others will want to take advantage of the opportunity to borrow \$1,000, \$2,000 or \$5,000 to make such improvements as they consider essential; in that fashion, they will benefit from the act, which they could not do previously. Owners also will have an additional advantage in that they will be able to reimburse their loans over a period of 35 years instead of 25, by smaller monthly payments. They can then, doubtless, discharge other obligations which, in recent years, have piled up due to major increases in municipal and school taxes.

Mr. Speaker, in closing I should like to point out the tremendous amount of work performed by the personnel of Central Mortgage and Housing Corporation. I know the corporation has information of great interest on the possibility of passing a housing act, ideally suited to the whole Canadian people.

The hon. member who has just resumed his seat emphasized the fact that in spite of the benefits resulting from the amendment to this act, we still do not reach those who earn less than \$4,500 or \$5,000, and, therefore, the citizen who wishes to own his home is not covered, and we do not improve by this piece of legislation the lot of those who are forced to live in slums. I think that we should study this question seriously, in order to find the necessary funds so that all the Canadian people may benefit from the National Housing Act.