

*National Housing Act*

[Translation]

**Mr. Grégoire:** Mr. Speaker, I wish to ask a supplementary question. Does the minister intend to enter into new negotiations with that department of the province of Quebec about this?

[Text]

**Mr. Speaker:** I must interrupt the hon. member. We have had three questions on this same subject all asking for detailed answers and it does seem to me, inasmuch as this question has been raised every week for the last two or three weeks, that this is a question for the order paper.

**NATIONAL HOUSING ACT****AMENDMENTS RESPECTING RENEWAL PROGRAMS, PUBLIC HOUSING PROJECTS, ETC.**

**Hon. J. R. Nicholson (Postmaster General)** moved the second reading of Bill No. C-102, to amend the National Housing Act, 1954.

He said: My remarks during the resolution stage were extended, and in these circumstances I do not intend to make any further observations at this time. I will leave it to hon. members of the house to comment on the bill now before us.

**Mr. Erik Nielsen (Yukon):** As I said when I spoke at the resolution stage, it is the intention of the official opposition to encourage the speedy passage of this legislation, since the bulk of it was contained in the program of the previous government which would have been implemented had it not been for the extensive obstruction which the government of that day encountered from members who now sit opposite.

I will say that there are some features of this legislation which are deserving of critical and constructive comment and I intend to advance a portion of that comment, as do one or two other members belonging to this party. The first matter I should like to direct to the attention of the minister—I am not certain whether he is aware of it or not—concerns an undesirable practice which has come into being as the result of the drying up of mortgage moneys from independent mortgage sources. It would appear the practice is for builders to approach independent lenders and, since the independent lenders will not make an advance under the provisions of the act as it now stands, the builders offer them a bonus, in effect, of 1 per cent or 1½ per cent on the loan to be made, in this way bypassing the provisions of the act and obtaining money from independent lenders in circumstances under which they otherwise would not obtain it.

[Mr. Laing.]

I think this practice is not in the best interests of the housing industry as a whole, and it is certainly one which deserves the attention of the minister. Officials of Central Mortgage and Housing Corporation must be aware of this undesirable practice and the house would, I am sure, be interested in hearing from the minister what steps the corporation has taken in order to prevent its continuance.

My remarks this afternoon will be confined mainly to the application of the housing provisions to northern housing because this is the area of the country with which I am most familiar. I wish to deal particularly with the provisions having to do with the development of low rental and low cost housing either by municipal authorities or by independent contractors. I also intend to devote a few of my remarks to loans in respect of the purchase of existing homes.

At the outset I can tell the minister that in my view the provisions of this bill which purport to amend the National Housing Act so as to provide mortgage money for the purchase of existing homes do not go far enough. The provisions contained in part III of the bill are too confining. In the whole of the Yukon Territory there is only one urban area, and in the Northwest Territories a similar situation exists. Thus an extension of the provisions of the act as far as northern housing is concerned would confer no benefits whatsoever in the direction of expanding home building in this vast area, which makes up 40 per cent of Canada.

There is a desperate need in the north for an extension of the provisions of the act, not only with respect to making loans available for the purchase of existing homes but for loans in themselves. As the minister is well aware, the provisions of the National Housing Act now impose—probably for good reason in the more southerly areas of Canada—certain standards which must be adhered to if money is to be advanced for the construction of new homes; I am thinking particularly of the existence of sewers, water facilities and the like. The original act remained unworkable in the northern areas of Canada until the government changed in 1957, and in subsequent years amendments were made to the National Housing Act which resulted in a substantial increase in home building in the northern area of Canada. The minister may be interested to learn, for instance, that prior to 1958 there were only two homes in the whole of the Yukon which had been built under the provisions of the National Housing Act, while in subsequent years, after the changes had been made and the terms of the act broadened, well over 100 homes were built in the city of Whitehorse alone. For the purpose of the