

Having regard to the last suggestion made by the hon. member that the federal government should bring pressure to bear on banks to get more funds for housing, let me say that it is all very well to suggest that but it is much more difficult to accomplish. One can exert certain pressures and do a lot of things in the housing field in time of war. My first connection with housing was when I was solicitor for the wartime housing corporation. At that time we did not have to worry about provincial or municipal laws or about niceties, we just went ahead and did what we thought was necessary in the interests of the war effort. It cannot be done so easily in peacetime. In this case the banks and other lending institutions asked me another very appropriate question when I asked for more money for housing. They asked us to make it clear whether we wanted more money for housing or wanted it to buy bonds. They tell us that we cannot have it both ways and they asked for some indication as to what we want, with the assurance they are prepared to co-operate. Let me make it clear, we, the government, have not indicated that we want the interest rate to go up to  $8\frac{1}{4}$  per cent, but we have told these lending institutions that we are prepared to give them more flexibility so they can exercise their judgment whether they should invest in housing or buy equities, buy bonds, provincial bonds, municipal bonds or federal bonds.

Before I sit down I want to deal with another matter which was raised during our discussion of the estimates last week. At that time my attention was drawn to the fact that the limited dividend provisions of the National Housing Act were being overlooked and that little advantage is being taken of them. This again was brought to my attention very forcefully at one or more of the conferences which took place in March. As a result of studies which have since been conducted I have undertaken to revise our limited dividend program by adjusting upwards the limit of income in respect of admission to such housing units. Perhaps this should have been done five or ten years ago. Certainly it might have been done two or three years ago. However, so little use was being made of the provisions that seemingly they were being overlooked, with the result that people with incomes over \$5,000 were not eligible to participate in these limited dividend projects, where there is relatively low interest on the money invested for private entrepreneurs who want to invest their money. As I say, I have undertaken to adjust the income level

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upward. This will mean that in large metropolitan areas those families with incomes up to \$7,000 may qualify for admission. In rural areas the income level probably will be lower but in areas such as Vancouver, Toronto and Winnipeg it will be raised to \$7,000.

I have nothing more to add Mr. Speaker, and I hope that the contribution I have made to the debate, with the support I have received not only from this side of the house but also a little from the other side, will cause hon. members to take a serious second look at the amendment introduced yesterday. If hon. members do not wish to break party lines I hope they will absent themselves during the vote, thereby assisting us to give approval of the sound principles that we have introduced to get our housing program under way.

In conclusion I should like to express my special thanks to the hon. member for London (Mr. Irvine) and the hon. member for Esquimalt-Saanich (Mr. Chatterton) for the kind things they said yesterday about the Minister of Labour.

**Mr. Barnett:** Would the minister permit a question before he sits down?

**An hon. Member:** He has already taken his seat.

**Mr. Monteith:** He might get up again.

**Mr. Nicholson:** That might happen, as I still have a minute or so.

**Mr. Barnett:** Having regard to the remarks he has just made about the income ceiling on limited dividend projects being increased, will the minister indicate what the situation will be in mining and forestry communities where similar projects are undertaken?

**Mr. Nicholson:** I cannot give a definite answer to that question. I have been more concerned about the larger centres in relation to the limited dividend problem. This program has been used extensively in and near Calgary but in very few other parts of the country. This situation was brought to my attention recently both in Vancouver and in other areas. I can assure the hon. member that there seems to be merit in his suggestion that this might be extended to new resource areas where the federal government is already giving special assistance. If we can get participation on the part of private entrepreneurs in those areas, we will be happy to do whatever we can to interest them.