

On the question of homes for the aged, I would be less than frank if I did not say that much work is being done by the provinces and by municipalities in this field. I am indebted to Senator Choquette for the name of the Island Lodge Geriatric Centre in Ottawa, which is located on Porter's Island and which is designed to look after the needs of old people in this community in what I would describe as rather superior surroundings. This is not a National Housing Act assisted project; it is built by the Province of Ontario with their own funds.

There are in Ottawa four or five projects financed by National Housing Act money and accommodating some 400 elderly people; they are owned by the City of Ottawa and known as the Lowren Housing Development. This is true of certain other parts of Canada as well.

Senator Macdonald (Cape Breton) raised the question of jurisdiction with respect to loans for student housing. With much of what he said, I agree. As a matter of fact, I was attacked here at one time for suggesting that help to universities could be justified on the grounds that education was a national problem. There may be another reason for wanting provincial approval: it carries with it a guarantee from the province that the loan will be paid, and one must always look to the safeguarding of investment made from the federal treasury.

I am glad Senator Benidickson referred to the Farm Improvement Loans Act and to the Home Improvement Loans Act. Both of these provide opportunities for homeowners, both rural and urban, to take advantage of loan facilities provided generally through the banks. I understand the maximum for the Home Improvement Loans Act is \$4,000. Curiously, the average loan is not much more than about \$1,500, I think the minister said.

Hon. Mr. Isnor: Yes; \$1,500.

Hon. Mr. Connolly (Ottawa West): The opportunity is there. I do not say that this legislation and this corporation is the be-all and end-all, nor do I say that it is the only place where benefits are available to the community from the public purse.

On the other question raised by Senator Benidickson, one of the things that legislators on their own responsibility must always remember is the problem of security in the investment of public funds and the question as to where the line should be drawn. The question as to where the line should be drawn as between what is considered to be

standard housing on the one hand and sub-standard housing on the other may be very difficult. I gather that the burden of Senator Benidickson's argument is that the standard described by Central Mortgage and Housing Corporation is much too high for the average purchaser with low income. May I say in all frankness that I shall present his views to the authorities; and, to use his own language and indeed the language of another great man, I shall do so with vigour.

Senator Isnor refers to the pressures which have been growing over the years of his distinguished career in Parliament to raise the ratio of the loans from 60 per cent upwards and to depend the more upon the moral character of the borrower. With that I agree. Anyone who has been concerned with private lending, as a trustee or in a law firm, or in a trust or loan firm, or in an insurance company, must be concerned with the moral character of the borrower, but the margin between the value of the equity and the mortgage itself being only 10 per cent, I think you already have this reliance built in. When you consider that the situation will be applied on a national basis, I think it speaks pretty highly for the moral character of the borrower of these funds that the Corporation supported by the Government is willing to go as far as it has gone in this regard.

Hon. Mr. Paterson: What is the history of loss?

Hon. Mr. Connolly (Ottawa West): I do not have that on hand, but I shall try to get it for you. I know it is a very insignificant amount. I am not sure if it is still less than one per cent, but I shall find out.

I come now to the point raised by Senator Pouliot, which was a very valid one, to the effect that in certain cases underdeveloped countries receive free loans, usually soft loans. In the first place let me say that the amount involved in these loans is infinitely smaller than anything contemplated in this bill. In the second place I think, and I am sure Senator Pouliot will agree, that a country that is relatively as wealthy as Canada, and a people that are as generous as Canadians, would give wholehearted approval to the steps that have been taken. Such loans are granted only in cases of great need, in many cases dire need. I think so far as the average Canadian homeowner is concerned, all he wants to do is to be able to pay his way, and he also is interested in safeguarding the integrity of the Canadian treasury.