

minister? If that is the case it would seem to be a backward step, and would remove from the commission some of its independence.

**Hon. Mr. Macdonald (Cape Breton):** I do not think that is the purpose.

Section 5(2) begins:

For the purposes of this Act,...

That is one of the clauses which was inserted by the special committee of the House of Commons. That would refer to the body already established, which is called a department under this definition. This subsection does not set up a new Government department, or anything of that kind. I shall be happy to inquire further regarding that matter.

Motion agreed to and bill read second time.

#### REFERRED TO COMMITTEE

**Hon. Mr. Macdonald (Cape Breton):** Honourable senators, I move that the bill be referred to the Standing Committee on Civil Service Administration.

**Hon. Mr. Connolly (Ottawa West):** I am wondering which is the appropriate committee to which this bill should be referred. Practically every member of the Standing Committee on Civil Service Administration is a member of the Standing Committee on Banking and Commerce, but there are members of the Banking and Commerce Committee who are not members of the Civil Service Administration Committee. It seems to me that the Banking and Commerce Committee might deal with this bill a little more effectively because of its larger membership.

**Hon. Mr. Brunt:** Any honourable senator can participate in the discussions, but he must be a member of the committee in order to vote.

Motion agreed to and bill referred to Standing Committee on Civil Service Administration.

#### NATIONAL HOUSING ACT, 1954

##### BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-128, to amend the National Housing Act, 1954.

Bill read first time.

##### SECOND READING

**The Hon. the Speaker:** Honourable senators, when shall this bill be read the second time?

**Hon. John Hnatyshyn** moved that the bill be read the second time.

He said: Honourable senators, the provisions of Bill C-128 are quite simple and easy to

understand. However, I think it desirable to give the background of this legislation. It is now nearly 10 months since we last considered a proposal for amendments to the National Housing Act. In the interval there have been many significant developments.

In moving second reading of Bill C-128, an act to amend the National Housing Act—which I now have the honour to do—I wish to review very briefly the legislation we passed last winter and its subsequent telling impact upon the house-building industry and the economy of the nation as a whole.

The amendments that received royal assent on December 2 last were, as you are aware, forthright in nature, comprehensive in scope and, in the aggregate, had the effect of providing Canada with an up-to-date and effective legislative instrument in the housing field. You will recall, for example, that two entirely new notions were introduced into the act, each providing federal assistance where none had existed before. The first of these forms of aid was to municipalities, to finance the construction of sewage treatment projects; the second was to universities to provide living accommodation for resident students.

Furthermore, the ratio of National Housing Act loan to lending value was increased to provide higher loans and lower down payments; the maximum National Housing Act loan by regulation was raised; the permissive repayment period was extended; funds available by statute for redevelopment of blighted areas of our cities were doubled to \$50 million; and federal-provincial partnership arrangements were widened to permit the acquisition and renovation of existing dwellings for public housing.

Following closely, as they did, upon administrative measures that were taken earlier in the fall to stimulate winter construction and to encourage the highest possible level of employment in the building trades, these Government actions found an immediate and remarkably widespread reflection in new activity.

Indeed, had it not been for the National Housing Act and its efficient administration, the volume of new housing to date in 1961 would undoubtedly have suffered the same fate as other sectors of the construction industry, for in the first seven months of the year contract awards in the business field were down by about 10 per cent, industrial by 15 per cent, and engineering by 25 per cent. Residential contract awards, on the other hand, were some 30 per cent higher and with the volume of conventional mortgage lending on the decline throughout most