

his aspirations and desires, because it is uneconomic for him to pay too high a rate of interest on his mortgage for too long a period and still meet the payment of higher taxes, federal, provincial and municipal.

Just yesterday the Economic Council of Canada made a report about the seriousness of the housing situation as it is developing in Canada, which I will be tabling later today. While everybody recognizes the importance of that report and the homeliness of the truths it contains—and these truths are incontrovertible—it is at the same time made clear to all of us who are concerned with the existing inflationary pressures that a massive injection of money into any segment of the economy can be harmful. It can be dangerous, and it could push inflation to the point where the consequences are undesirable and would defeat the results sought to be achieved. We have had many strikes. We have increasing wage demands, mainly because of increases in prices. The cost of living is rising. There are demands for higher profits on the part of shareholders, and on the part of companies who are trustees for shareholders, because they require larger returns on their invested capital.

I am not talking in a critical way about any segment of the economy. I am only trying to sketch some kind of broad perspective within which we should view the bill now before us.

It is clear from figures available that the conventional private sources of mortgage money for house building are drying up. One of the reasons is that there are higher and easier returns in other forms of investment. Mortgage, insurance and trust companies and private individuals are finding they can get a better and perhaps more secure return on their money by buying in the bond and stock market rather than in the mortgage business.

In the first six months of 1966 the starts in housing were down 26,000 from the same period in 1965. This applies even to loans that are insured under the National Housing Act. In 1966, from January to October, direct lending from Central Mortgage and Housing Corporation increased by 31,500 units, which is 33 per cent over the same period in 1965. That is perhaps because money under the direct lending of the corporation is cheaper than in other sectors of the economy. The rate for these direct loans is 6 $\frac{3}{4}$ per cent.

It is anticipated that in 1966 some 130,000 housing units will be completed in Canada, and of that number 80,000 will be completed as a result of capital supplied from private or conventional sources. Although this is a tremendous number of housing units it still falls

short of the required number by perhaps as many as 40,000 in this year.

It is a matter of policy, therefore, for the Government to support projects for urban renewal, for slum clearance, and for other forms of civic improvement in the use of land within our cities.

In 1966 some \$16 million was allocated for that purpose, as against some \$4 million or only 25 per cent of that in 1965. These urban renewal projects took place in such cities as Hamilton, Saint John, New Brunswick, Montreal, Vancouver, Calgary, Winnipeg and Toronto. Over 9,000 family units were affected, it is hoped favourably, by this development within our urban centres.

Perhaps a good example of what has happened can be seen in this City of Ottawa over an area which Ottawans generally call "the flats"—that is, the Preston Street area—where sub-standard housing was removed and replaced by new forms of public housing with modern conveniences installed, under a federal-provincial program. The buildings are somewhat attractive, some have more free land available for the use of the tenants, and more houses were provided on a rental basis. That is just one example of what has been done with some of the \$16 million already used this year for that purpose. But there is much more to be done in this field.

It is also a matter of policy for the Government to support housing for low-income families, and help has been given to non-profit corporations to provide subsidized rental accommodation. By non-profit corporations I mean organizations like service clubs and other philanthropic bodies which undertake projects of this kind in the interests of their communities. They provide both single-family units and multiple-family buildings in certain areas. The areas which have been affected by this development are Winnipeg, London, Moncton, Saskatoon and Verdun near Montreal.

These developments have been of special benefit to the older members of the community, people who have not been able during their lifetime to provide for the housing they require out of their savings or by other means.

A very successful development has been undertaken by the Ontario Housing Corporation, a Crown company established by the Government of the Province of Ontario. The president of that corporation is Mr. Soble of Hamilton. In 1966 under that organization there were 46 housing developments, costing