

*National Housing Act*

Indeed, as I mentioned during the resolution stage, discussions I had had on behalf of the government with most of the provinces during the past year, did go beyond the measures that we are now proposing in this bill. It is our opinion, however, that in the present economic climate such proposals as can reasonably be deferred in respect of housing should be deferred at this time. As a consequence, the bill before us represents only those improvements that are deemed absolutely essential at the present time.

Through a moderate extension to the present loan provisions of the National Housing Act, Bill C-241 provides assistance for the purchase of existing housing. I think all hon. members will agree that this is a timely step, particularly in meeting the home-ownership needs of lower and middle income families in Canada. Initially the regulations governing such assistance—that is assistance which will be provided if this bill becomes law—will limit the amount of a loan by establishing a ceiling.

The provisions will at the same time require that repairs and improvements be of a minimum value. In other words, we are not going to make national home loans for the purpose of assisting people in buying existing housing for resale. This involves a combination approach and will involve a purchase and require a minimum improvement of perhaps \$1,000, or something slightly higher. It is difficult to conceive of anything less than \$1,000 in this regard or anything much more than perhaps \$2,000 or \$3,000. However, if an individual wanted to use eight tenths of the loan for repairs, as long as he complied with the regulations, that would be possible. I might say in respect of the amount of repairs, whether they be valued at \$1,000 or a larger amount, they can be met wholly or in part by work by the prospective homeowner. In other words, if he is a good carpenter, brick layer or electrician, the work that he and the members of his family can do will be included as part of his contribution toward the cost of the house.

I am sure that hon. members can appreciate the significance of this new type of loan to the thousands of potential homeowners in Canada, particularly those in the lower and middle income brackets. Many people today cannot afford new housing, but they do want to own their own homes. As has been previously pointed out, you can buy an existing home, some several decades old, which would be very comfortable for perhaps another several decades with the addition of a modern heating

system, a modern lighting system or a modern plumbing system. Up to this time, many families in these income brackets have not been able to purchase homes of their own, that is of the kind that meet with various building by-laws in different towns or cities, for less than \$14,000 to \$15,000, and in some cases even higher. People in the lower and middle income brackets cannot afford to own that type of house. They may be able to rent them but they cannot afford to buy them. As a result of this amendment, which will offer the benefits of low interest and long-term loans, people who wish to purchase these dwellings will receive exactly the same terms they would receive if they were purchasing new houses.

Some hon. members have asked me more than once whether or not an increase is contemplated in the \$4,000 maximum allowable under the home improvement provisions of the act. As hon. members know, under the National Housing Act, a person who owns a house and wants to improve it can go to his bank or to a lending institution and borrow up to \$4,000 at a reasonable interest rate, and repayment of the loan will be guaranteed by Central Mortgage and Housing Corporation.

• (5:10 p.m.)

It is a fact that this takes care of the owners of existing homes. The proposed amendment to which I have referred will take care of those people who want to buy existing houses and a person who wishes to continue living in his own house, who can borrow up to \$4,000 in order to make repairs to such house is also provided for. In giving consideration to whether the \$4,000 limit should be increased, we made a careful study of the situation and we found that the average loan over a period of several years, including the last two or three years when a substantial number of loans were made, has been about \$1,500. So we consider that, for the present at least, the \$4,000 level is adequate at the present time; but this level can be changed if the circumstances so dictate.

I must say—I think this is an appropriate time to deal with this matter—that I listened with great surprise to some of the comments made by the hon. member for Winnipeg North (Mr. Orlikow) during the resolution stage. My interest deepened with his statistical presentation reviewing this year's housing performance against the housing performance of 1965. We all know that statistics are open to many interpretations, depending upon who is doing the explaining or the interpreting, and who is quoting the statistics. But I must say