

National Housing Act

The new minister has assured us that he has an open mind on this subject, and that he has been immersing himself in this subject of housing. Last Friday he surfaced to bring forth one amendment concerning the extension of the date on loans to the provinces and municipalities for the construction or extension of sewage treatment projects. Today, I notice he added to the category of definitions. This is the first time I have heard the word "indulgibly" accommodated. I should like the minister when we get into the committee to give us the full meaning of that word because it appears to be one that one of the men in Central Mortgage and Housing Corporation has dreamt up or has read in some periodical and which he thinks may apply to Canadians.

I am not very impressed with the start made by the minister. Instead of setting forth a target of a number of housing units for Canada and giving the proper mix of housing, whether it be residential public, co-operative or housing for senior citizens, and also emphasizing the high cost of land, high interest rates and giving housing guidelines, the minister has indulged in rather a price essay on housing problems. It is an essay that has probably been composed by some of the learned economists employed by Central Mortgage and Housing Corporation. The minister's speech was no reflection of his compassion, sincerity and ability. I have said that this bill is a slap in the face to most Canadians because it is only a housekeeping bill. It is a capitulation to the financial institutions. It is also an indication of a lack of leadership.

We find that the first amendment contained in this housekeeping bill is to widen the definition of the word "house" so as to include condominium housing and existing homes for the purpose of loans made by approved lenders. We then find a series of increases in the statutory limits. There is an increase in the statutory limit on insured housing loans under the National Housing Act to approved lenders of from \$11 billion to \$15 billion. This is not very impressive because our commitment as of December 31, 1968 was \$9,500 million. In other words, there still remained \$1.5 billion within the statutory limit. Having read of the performance of C.M.H.C. last year, I am aware of the fact that only \$793.4 million was spent by assured lenders on housing.

Secondly, there is an increase in the statutory limit from \$5,200 million to \$6,100

million for public housing. Again our commitment as of December 31 last was \$4,300 million. Last year we spent only \$217.7 million in this department, which was less than one half the total for 1967. Again, we would have been far within the existing statutory limit.

Thirdly, there is an increase in the statutory limit for home improvement loans of from \$550 million to \$600 million. The commitment as of December 31, 1968 amounted to \$479 million, whereas last year we spent only \$23.9 million, representing 10,524 loans, which compared to 1967 was a drop from 16,631 loans which amounted to \$35.2 million. So, again we would have stayed within the statutory limit.

The minister is also increasing the statutory limit for student housing from \$350 million to \$550 million. Our commitment as of December 31 last amounted to \$307 million; last year we spent only \$60.1 million. The existing statutory limits and the intended increase indicated that, with the exception of student housing loans, and, if the performance this year is the same as the performance last year or even if there is a slight improvement, there will be no necessity to increase the old limits to the proposed new statutory limits. In other words, these changes are mere house-keeping, window dressing, to create the impression of concern and activity when in fact there is a lack of concern, and inactivity.

I have said that this bill amounts to a capitulation to the financial institutions. When I read Clause 2 of the bill, which frees the fixed interest rates on insured loans through the instrumentation of the Governor in Council, my first reaction was: Who asked the government for this change? Was it the borrowers, the mortgagors, or was it the banks, the insurance companies and the trust companies?

We all recall the experience of the banks when they were limited to an interest ceiling of 6 per cent under the Bank Act. We remember the great performance they put on before the standing committee on finance, trade and economic affairs, as it is now called. They said they must have an increase beyond the 6 per cent, and the government yielded. We now find that bank interest rates range from 8 per cent upward. Let me assure you, Mr. Speaker, that it was not the mortgagors who asked for the freeze on interest rates to be lifted, but rather the banks, the insurance companies and the trust companies.