

Supply—Resources and Development

Perhaps it might be appropriate if I were to quote an example.

Prior to February 6, 1951, under the additional loan technique a one and a half storey five-room house, selling for \$10,000, would receive a loan of \$8,166, calling for an equity or cash payment of \$1,834. The same house financed under the present provisions would sell for \$10,500. The loan would amount to \$8,400 and the cash equity would be \$2,100. Upon this comparison and similar ones that might be made I base the statement that we have substantially restored the provisions. You will note that while the agreed sale price has increased by \$500 by reason of an overall increase in construction costs, the down payment required has gone up by an amount of \$266 only, and the amount of the loan has increased by \$234.

I do admit, of course, that under the statute as it reads today it is possible to make the one-sixth loan in addition to the higher 80 per cent loan. The clause is entirely permissive. There would, however, be reluctance on the part of the lending institutions to participate in higher loans if they had added to them an additional one-sixth. Moreover, loans of 80 per cent at present levels of costs are a sufficient burden for the ordinary home owner to carry without adding to that burden by an increase in the loan. This is particularly true in view of the very high level of municipal taxation prevailing today.

In specific reply to the hon. member for Cape Breton South, I may say that we have given that matter most sympathetic consideration. We have talked to the lending institutions but, for the reasons I have mentioned, and owing to their views about intrinsic mortgage values, we have not yet been able to reach an agreement with them that a higher level of loans should have been made in the particular instance which the hon. member has in mind.

Mr. Coldwell: What about the inspections?

Mr. Winters: The hon. member for Rosetown-Biggart asks about the inspections. Responsibility for adequate inspection, under the terms of the National Housing Act, rests with the lending institution. The basic arrangement is between the builder as vendor on the one hand and the ultimate owner as purchaser on the other. The lending institution makes the inspections necessary to ensure that the mortgage money is being used to advantage.

Mr. Coldwell: May I say they do not make the inspections.

Mr. Winters: We have had the criticism that they do not make the inspections and I

am inclined to agree that the criticism is valid in many instances. We have been speaking to the lending institutions and endeavouring to persuade them to improve their inspections. We have done what the hon. member for Rosetown-Biggart suggested we should do, that is, under certain circumstances, we refuse to make loans to particular builders who are known to have bad records in building houses. We have that problem under consideration, and we are trying to work it out.

Mrs. Fairclough: In regard to the minister's statement that loans become inactive, let us say where there is a difference of more than 5 per cent between the builder's estimate and that of Central Mortgage and Housing or more than 3 per cent between that of the lending institution and Central Mortgage, I want to say there are a great many cases where the prospective home owner is faced with the necessity, if he is going to own a home, of taking on the difference himself in order to come within that provision.

Mr. Winters: Yes, there has to be an agreed sales price.

Mrs. Fairclough: There is a great deal of that.

Items agreed to.

The Chairman: We shall now take up items 255 and 256, the national film board. I might say that these items have been thoroughly studied by a committee.

National film board—

255. Administration, production and distribution of films and other visual materials, \$2,804,131.

256. Acquisition of new equipment, \$115,820.

Mr. Fraser: I should like to say a word in regard to this subject. I said before, and I say again, that I think it was a step in the right direction to set up a committee of the house to study the national film board's estimates. The report of that committee has been tabled, and I believe it is fair. It has been cut down considerably from what it was in the first place, but I believe it could have been cut a little more.

Mr. Winters: I think it is a very good report.

Mr. Fraser: I think it is a fair report. There have been comments in the press concerning a report that the committee sanctioned the moving of the national film board to Montreal. I do not think the committee did that. The committee only said that the premises now used by the national film board were inadequate for its purpose, and that the film board should be housed under one roof. Personally, I believe it would have been better for the film board to move to Peterborough