

*National Housing Act*

due to the unwillingness of the builder to take a risk on delay and inexperienced labour. He must cover himself, and he will be quite prepared to take a smaller profit if he can be sure of covering his contract. When I look at the figures I find that, of the loans approved last year, less than one-third were integrated loans. I want to leave with the minister the thought that, unless everybody turns over to the integrated scheme—which they perhaps will not do, even though perhaps they could—during this coming year, he should give consideration to increasing that lending value, because right now you are not getting much more out of the National Housing Act loans than you would get on a private loan before the scheme ever came into being. I should like to ask the minister now what his experience is with regard to integrated housing. Are more and more builders coming under the scheme? Is there any limit to the number who may come in? What considerations govern the minister and his officials in permitting builders to operate under integrated housing? What stamp of approval must be put on the builder before he is considered eligible to come under the integrated scheme?

Mr. HOWE: About 3,000 units were signed up under the integrated scheme last year, and present prospects are that about six to seven thousand will be signed up this year. The only limitation in accepting a contractor under the integrated housing plan is whether he can make the price; in other words, if he can offer a cost that is acceptable under that plan. Some builders cannot do so; it costs them more money, but there is no reason why any efficient builder cannot come under the integrated plan if he wishes to do so and is willing to accept the profit limitation. If a contractor wants to go after big profits and somebody else wants to support him in that cause, there is nothing we can do about the matter, but the house built under such an arrangement is no better than the house built under the integrated plan. If it costs the buyer fifteen or twenty per cent more, the buyer is out that much and the state has no obligation in the matter.

Mr. MERRITT: Could the minister say what percentage of the builders in Vancouver, for instance, would be building under integrated housing and what percentage under the normal system? Has he any figures on that?

Mr. HOWE: By units, probably about twenty per cent would be under the integrated system, and about eighty per cent under the National Housing Act.

[Mr. Merritt.]

Mr. MERRITT: But can the minister tell me how many builders are taking advantage of the plan?

Mr. HOWE: Ten builders in the Vancouver area are taking advantage of the integrated plan.

Mr. TIMMINS: From what the minister has said from time to time with respect to the building organizations under the control of Central Housing I have taken it that fundamentally and primarily these schemes are for the purpose of providing homes for veterans. On Friday last I made a statement based on a report appearing in the *Financial Post*, that integrated housing had been found unworkable as far as veterans' preference was concerned in some areas of Canada, and that for this reason Central Mortgage was permitting the builders to dispose of the houses to civilians in the first instance, we will say, as against veterans. I should like to know from the minister whether the statement I made, based on the newspaper report, was correct; if so, what are the areas where the veterans preference has been dropped in respect of integrated housing, and whether a new policy has been established in that regard.

Mr. HOWE: I am told that the only integrated project where the veterans preference has been lifted is at West Kildonan, Manitoba, where there were some larger houses in which the veterans did not show an interest. There is a complete veterans preference for houses under the integrated plan, but if there is no demand from veterans, it will be the policy to offer them to civilians.

Mr. TIMMINS: How long does a builder have to advertise a house to veterans before he may turn around and sell it to a civilian?

Mr. HOWE: The rule is six months, unless it is evident to Central Mortgage and Housing Corporation that there will be no demand in that area from veterans.

Mr. TIMMINS: Does that mean the builder would have to hold the house for six months before he could sell to a civilian?

Mr. HOWE: That is right.

Mr. TIMMINS: Then the hon. member for Vancouver-Burrard asked as to the number of builders in Vancouver who were under the integrated plan as contrasted with ordinary builders. I understand that in the Toronto area only about nine builders are under the integrated plan, whereas there are some 450 builders in the whole Toronto and York area. Could the minister tell the committee what reason he has for expecting that the extension of this plan will bring more builders in the Toronto area under it.