

*The Address—Mr. Fleming*

in November, 1949, pointed out that the efficacy of the amendment then introduced into section 4, as well as the efficacy indeed of all the lending provisions of the National Housing Act, would depend upon the interpretation which the government put upon those words "lending value."

We shall see what the government did to implement the intent of parliament. In February of this year the government proceeded to deal three hammer blows at the hopes of this country for the construction of even sufficient houses to keep up with current demand, let alone to make any reduction in this formidable backlog of housing needs. In the first place they laid it down that the lending value for all purposes under the National Housing Act should be determined by the level of construction costs at January 1, 1950, a time when construction costs were substantially below the figure to which they had risen in February, 1951. Next they discontinued completely the one-sixth additional loan. Parliament had enacted that amendment to the National Housing Act. It was parliament's determination that that one-sixth additional loan should be available. But this government, without any consultation whatever with parliament, without so much as saying by your leave, simply announced that there would be no more granting of the one-sixth additional loan.

The gap between the loan available under the National Housing Act and the cost of construction immediately widened so that it eliminated thousands and thousands of Canadians from the market. In doing what it did on that occasion this government tore up the legislation of parliament. It nullified parliamentary legislation. At the same time this government tore up, yes, tore to shreds its own election promises. Later in the spring the third step followed, which of course was not as significant as the other two, but nevertheless had some effect. The government increased the rate of interest charged on loans under the National Housing Act.

When those two hammer blows were dealt at house-building efforts in Canada in February, a storm of protest rose throughout the country. A statement was made by the premier of Ontario in the legislature of that province which, I might tell the house, was endorsed at least by the applause of all parties. None of them had a word to say in opposition to the comment then made on this subject. Speaking of the discontinuance of the one-sixth additional loan, the premier said:

I want to express entire disagreement with this move . . . I agree that something must be done, but of all things to be cut back, housing should be the last.

[Mr. Fleming.]

Never were truer words spoken. In the face of a protest like that, and a veritable storm of public protest, this government did not flinch but stubbornly refused to reinstate the one-sixth additional loan. The inevitable result followed. How could it have been otherwise? We saw immediately a decline in housing starts in Canada, and it has accelerated as the months have passed. The daily bulletin of the dominion bureau of statistics for November 2 summarized the situation to the end of September of this year as follows:

Construction of new dwellings units was again at a lower level in September than a year earlier. Starts fell 46 per cent—the fifth decrease in as many months—while completions were off by 11 per cent to record the third successive monthly decrease. The September drop in starts followed declines of 20 per cent in August, 40 per cent in July, 21 per cent in June, and 14 per cent in May. Completions, following a general rise in the first 6 months, fell 18 per cent in August and 28 per cent in July.

So the story proceeds. Let us recall that only in these past several months has the country felt the full effects of the reversal of housing policy announced by this government in February. When next year comes the country will be reaping the full and sour fruit of this policy, because housing completions will be showing the full effect of the decline in housing starts this year from the time this government's policy showed its full and baneful effect.

We need not cover all the cities in Canada, but I turn to Vancouver because I go back to that remark of the parliamentary assistant who represents one of the Vancouver constituencies. I hold in my hand the October bulletin of the Vancouver housing association, and I read this paragraph:

City of Vancouver: For the nine months ended September 30, dwelling permits (units) issued in the city of Vancouver were down from 2,261 in 1950 to 1,250 in 1951; a drop of 45 per cent. These figures reveal the drastic effect of the credit restrictions on residential building introduced last spring.

Will you bear in mind, sir, that the housing starts in the early months of this year compared favourably with the early months of 1950, but by the end of September the comparison of the early months had been obliterated, and the net result was an overall drop totalling about 45 per cent. Yes, those are the fruits, the inevitable fruits, of the policies of this government. Those are the results of its blindness. We were told that these policies were to have an anti-inflationary effect. I say to you that they have had an anti-house-building effect.

Then we were told that the government could not afford to go on with some of the housing projects that had been started. For instance, there was the Fraserview project