

National Housing Act

an urgent request that these housing material costs be brought into line, compatible with the service man's purse and that he be given priority in all building material.

And further be it resolved by the Canadian Legion, Swift Current branch, No. 56, and its ladies' auxiliary, here assembled:

That the federal control board continue to control building costs and

That contractors building under the N.H.A. be allowed to purchase necessary material direct from manufacturers thereby cutting material costs to an immeasurable extent.

The last sentence would indicate that these contractors must buy through the retail trade. That seems hardly fair, because, while these contractors are not great national figures or big businessmen, they are men with a considerable investment in equipment, and if their equipment and men are tied up waiting for material the men will drift into other employment, the equipment will stand idle and the houses will not be built. If these men were operating under the National Housing Act and its terms were wide enough—as I believe they may be with this amendment, if something better does not come along—they would be able to go direct to the source of supply and perhaps make arrangements for much of the building material they are unable to get at the present time.

I would ask the minister to give this point his serious consideration. The people are deserving. They have done their best for the country. They are not asking any special favour. They have jobs; they are earning money; they are trying to settle in homes they will own themselves and to become taxpayers of the city. They want to carry on like other citizens, to become part of the community, and everything possible should be done to make these homes available to them. They want to buy these homes and pay for them, but they know it is no use undertaking contracts which their earning power will never make it possible for them to fulfil. They are earning good money; they will be good citizens, but they will never become wealthy. Their arrangements for the future have to be made on the basis of what they expect to earn. They simply cannot get these houses with the present building costs, as I think the minister knows very well.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Mr. MERRITT: I did not take part in the discussion this afternoon; on previous occasions in this house I have expressed my view on the need for low-rental housing. However I should like the minister to tell us, during the committee stage, whether or not any conversations have been held or are

proposed with the provinces, so that the proper jurisdiction as between dominion, province and municipality in the housing field may be ironed out. We know the minister does not favour low-rent housing, as he said in the house this session.

Mr. HOWE: When was that statement made, that I did not favour low-rent housing?

Mr. MERRITT: That you did not favour subsidized low-rent housing.

Mr. HOWE: Oh, yes; but you did not say "subsidized."

Mr. MERRITT: Then I should have said it. The minister has said he does not favour subsidized low-rent housing; but, whatever his view may be, there is no doubt, as I think he will agree, that there is no clear definition of responsibility in the low-rent housing field as between the three authorities, and that this is holding back what others might do in this field. It is causing considerable difficulty in my own city right at the present time, as the minister knows, in connection with the negotiation of contracts for Wartime Housing and emergency shelter. I feel sure that at the root of the difficulty I just mentioned is this problem of division of responsibility.

I really rose to ask some specific questions with regard to the proposals the minister is now bringing before the house. He is proposing amendments to the act to increase the percentage of the lending value that may be advanced. On July 29 of last year I pointed out, at page 3982 of *Hansard*, that with the lending value of \$4.60 per square foot under the National Housing Act, as it apparently was at that time, the actual loan a borrower would obtain on a \$6,000 house would not be 95 per cent of the first \$2,000, 85 per cent of the next \$2,000 and 70 per cent of the balance, as would appear at first sight, but rather 67 per cent of the cost of building that house today. Since I understand it has always been the practice of private mortgage companies to lend up to 60 per cent of the value of a house, this act is not doing as much good as might appear on the surface. Instead of getting 83 per cent of the cost of construction, as would appear to be the case, the borrower actually gets only about 67 per cent, so that in the case of a \$6,000 house he must put up about \$2,000. To change the section of the act which places a ceiling on the amount of the loan, to revise that ceiling upward by five per cent in the case of a \$4,000 house and seven and a half per cent in the case of a \$6,000 house, as the minister is proposing to do, in my opinion will not do as much good as would be done by an upward revision of the cost per