

National Housing Act; partial proclamation in force of Home Improvement provisions

16. The Minister of Public Works, referring to discussion at the meeting of October 28th, 1954, said that when the National Housing Act, 1954, was proclaimed in force there had been an express reservation that the provisions of Part IV of the Act relating to loans for the improvement of homes, should not come into force.

It had been stated in Parliament, during the previous session that the home improvement sections would not be proclaimed immediately, because it was considered advisable to allow the banks who were being authorized, for the first time to make N.H.A. loans on the security of residential real estate, to become familiar with mortgage lending. He had said that the government would consider the matter between six and twelve months after the main provisions of the Act had come into force.

Furthermore, while certain amendments to the Veterans Land Act were under consideration during the last session (to allow additional loans to full-time farmers who had been settled under the Veterans Land Act and to authorize additional loans to farmers, commercial fishermen, and part-time farmers who might be settled under that Act in the future,) the Minister of Veterans Affairs had stated that the legislation did not make additional loans available to small holders already established under the Veterans Land Act because these would be able to get loans under the home improvement sections of the National Housing Act.

On the other hand, enquiries had indicated that the banks, who had participated vigorously in mortgage lending on new housing, would encounter administrative difficulties in handling large additional lending operations under the home improvement sections of the Act at the present time.

In the circumstances, he recommended that Part IV of the Act be now proclaimed in force only in respect of those commercial fishermen and small holders who had already been established under the Veterans Land Act and who had not been covered by the benefits under section 3 of the Veterans Land Act which had been passed during the last session. He suggested that this partial proclamation of Part IV be made effective January 1st, 1955.

An explanatory memorandum had been circulated.

(Minister's memorandum, Dec. 6, 1954 - Cab. Doc. 267-54).

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