

*By Mr. Fraser:*

Q. I understand that it was only the veteran building his own home who was allowed those nails?—A. Mr. Chairman, in the original instance—or let me put it the other way—at that time there was a paper priority which purported to be only in favour of veterans but at the time the honourable member mentions when the nail situation reached its height, the veterans priority was removed as something that was impractical and nails were made available out of this stock by Central Mortgage and Housing to anybody building a small house.

Q. I suppose then, Mr. Chairman, that the small builder in some cases did not know of it.

The CHAIRMAN: That is the trouble.

Mr. FRASER: There was not enough publicity given to it.

The CHAIRMAN: Yes.

Mr. SINCLAIR: But this publicity you always say costs money.

Mr. FRASER: No, because the newspapers would pick it up and spread it across the country.

Mr. SINCLAIR: They don't like to spread anything free.

Mr. FRASER: Oh yes they do if it is news.

The WITNESS: In that connection, I mentioned earlier that we sent a bulletin to the builders on our mailing list in the number of some 4,000.

The CHAIRMAN: Are there any further questions of a general nature?

Mr. LAING: Is it not a fact that many of the functions of Central Mortgage and Housing, into which they have developed, arose out of a feeling at that time that private investment and private activity in building could not bring men, money and materials together to produce at either economic rental basis or economic selling basis? We had to go into this, had to set up Central Mortgage and Housing, and extend into those activities to provide houses vitally necessary in various branches—either for veterans or defence workers and so on. Private investment could not be expected to do that or was not performing it at that time. Is not that the whole historical background of the corporation?

The WITNESS: Well, Mr. Chairman, in a sense yes. In another sense, you recall the principles of the Housing Act were decided upon by the government in 1935. The home conversion plan, a minor item, was decided upon I think in 1942. The Home Improvement Act in 1938. That, together with other things such as Wartime Housing Limited, is probably substantially the situation, as the hon. member just said. I think it might be more correct, however, to say that Central Mortgage was formed in order to consolidate into one place all the operations of the government in this particular field.

*By Mr. Laing:*

Q. Yes. But all these other things were assistances that were available to those who wanted them, but when you formed the corporation you did go into business, you did advertise, you did expand to a greater extent than these others taken collectively. When you became a corporation you went out to get some building done which private investment could not see its way clear to do. Isn't that correct? —A. I think that the principle of the Housing Act which was adopted in 1935 was an attempt by the government to blend the activities of private enterprise with a stimulation from the government through the form of the National Housing Act. Certainly under the National Housing Act which was introduced in 1938,—apart from section 31-A and certain other direct lending powers—the whole principle is a co-operative effort between private enterprise on the one hand and government stimulation on the other.