

\$8,000. That is discouraging home building. It is cheaper today to rent than build. Consequently many people who are in a position to build are refraining from doing so as long as they can rent quarters even at \$35 or \$40 a month, because then they have no taxes to pay and no depreciation of property value to face. That depreciation is not recognized at all by the income tax officials when you are living in your own home.

It seems to me that one should be prepared to admit the fact that the government recognizes the problem. I am fully prepared to admit that fact. I think it is only fair to admit that any person in this country who is at all observant sees the problem. I am prepared to admit also that the government, in its own way and according to its own belief, is making a concerted drive to meet the problem and deal with it effectively. But on the other hand I am prepared to assert that the problem is not being dealt with effectively today. It seems to me that we must adopt other methods to supplement those which are at present in effect, and I propose to make reference to at least one other method which I think should be used.

During recent years we have recognized the principle that production has had, in many respects, to be financed by the government. We have had bonuses and subventions paid to railway and shipping companies for certain specific purposes. Industrial development has been presumed to have been assisted by the imposition of tariffs for the benefit of industries employing Canadian labour. Consumer bonuses have been paid with a view to stimulating trade and consumption. I say that now we have to recognize another principle, and that is the payment of subsidies for home construction, subsidies administered effectively and to whatever extent required to meet the problem. Other methods have served a purpose; other methods will continue to serve a purpose, but a solution is what we are now seeking; and I say that the only effective solution which is now left to be applied is the direct subsidization of private dwelling construction.

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, I do not intend to repeat many of the things which have been said on this subject by several previous speakers, but I rise particularly to support the point of view put forward by the hon. member for Mackenzie (Mr. Nicholson). I feel that I must do this because in one section of my riding—and I am now referring particularly to the city of Trail—we have an immediate need for some

[Mr. Shaw.]

500 houses. That immediate need is also felt by at least 200 veterans in that district. Under our present conditions, I am quite certain that private enterprise cannot cope with this need. I am not going to give reasons and arguments for that statement. I think they are obvious to anyone who has studied the situation. I do not believe this act will provide houses for two-thirds of the Canadian people who require them. It is not providing the houses at the present time. I think experience proves that. But I believe that our experience to date with Wartime Housing points the direction in which our housing policy should be turning.

As far as my constituency is concerned, in the city of Nelson there have been or are now under process of construction fifty houses under Wartime Housing and 125, I think, in the city of Rossland. In fairness, I must compliment the officials of the department on the work done in that connection. I believe the work in both cities has received general commendation. The houses have been reasonably well constructed and the people who are going to occupy them are, I think, well satisfied. To that extent the problem in those two cities has been solved, although I understand that the city of Nelson intends to apply for further houses, if they can be obtained. We used that technique with success. I want to say that the officers of the department and the contractors in question should be credited with a good job. The contractors in both cases were local firms who took a certain local pride in the project and who cooperated with the city, with the legion and with the departmental officials. Where you have cooperation of that type you have a reasonable chance of success.

Unfortunately, however, we have not been able to provide for the major housing needs of the constituency I represent, which includes the city of Trail. There we have a particular problem which, I am sure, cannot be solved by private enterprise and cannot be solved under the terms of the National Housing Act. We have a city, with a population of about 14,000 people, which is limited in area and without further ground for housing expansion. Therefore it is not possible for the city of Trail to apply to have houses built under Wartime Housing, because those houses must be built within the confines of the corporation. Here we have some 500 houses required at the present time; as I said before, we have some 200 veterans—men who served this country—waiting for homes for their families, some of whom are living in basements and under disgraceful conditions, because of the constitutional difficulties presented under the