

each year. That is quite true, but that is not an ephemeral condition; it is continuous, and must be faced as a definite fact in our economic life.

And, sir, it is to the solution of these two questions that the national employment commission, appointed last May, has been directing its efforts and its energy.

In his address His Excellency refers to the work which has been undertaken as the result of the appointment of that commission. While the powers of that body are advisory it has obviously become an arm of the government in dealing with the most serious difficulty that still faces the government, that of employment. The personnel of the commission was announced last May, less than eight months ago. It was representative not only of the various geographical areas of Canada but also of the different branches of our industry. I believe the members were wisely and well chosen. It would be invidious to mention names, I know, but I would like to congratulate the right hon. Prime Minister (Mr. Mackenzie King) and the Minister of Labour (Mr. Rogers) upon securing the services of Mr. Arthur B. Purvis as chairman of that commission.

In ability and energy Mr. Purvis is unsurpassed in Canada. The sincerity of his purpose is testified to by the fact that, at his own request, his salary was fixed at \$1 per year. The company of which he is head I believe has come as close as, if not closer than, any other company in Canada in reaching that goal of making labour and capital co-partners in a common enterprise.

The commission, sir, has already recommended the farm employment plan, and the speech from the throne forecasts that another plan will be presented shortly which, with the cooperation of the provinces, will provide for the establishment of unemployed young people. It has been studying and in due course doubtless will make representations in connection with a long range program calculated to obviate the recurrence of the conditions which we have experienced in the last few years.

As an immediate aid to the building industry it has recommended—and the government has accepted its recommendation—the home improvement plan. That plan, as every member of this house knows, provides that to the extent of \$50,000,000 the government will guarantee the lending institutions against loss, to the extent of 15 per cent, where the loans are made for the purpose of enabling the repair, improvement and rehabilitation of homes. It is directed primarily to putting

[Mr. McLarty.]

men back to work and to assisting the building trades.

The recommendation of the commission to the government probably was preceded by an investigation as to how a somewhat similar plan, adopted in the United States, had operated. To those who think that a very small stimulus would result from this measure, the results secured in the republic to the south are illuminating. There in June of 1934 President Roosevelt signed what is known as part 1 of the Federal Housing Act, providing for loans for purposes similar to those contemplated under the home improvement plan. In the United States that plan became operative about October of the same year. Up to the end of last month loans had been made under that plan in the United States to the number of 1,326,000, to an aggregate amount in excess of \$500,000,000. But, sir, that does not tell the whole story, for there were people who papered and painted and modernized and improved their homes for no other reason than that their neighbours were doing the same thing. The estimate made by the bankers' association of the United States, as to the private investment in repairs, improvements and rehabilitation of homes, was an additional amount of \$1,750,000,000.

There were three very definite results of the experiment in the United States. I have referred first to the stimulation given private investment which makes the plan much wider and more effective than the mere announcement of loans totalling \$50,000,000 would indicate. The ratio of stimulation in the United States is estimated at three and a half to one.

Another feature is the large percentage of money which finds its way to labour. The estimate of competent American authorities has been that eighty-five per cent of the money so spent finds its way to labour.

The third point, sir, is that it is continuous in its operation. It is not a plan that operates for only a month, six months or a year. May I quote from the bulletin of the federal housing administration, issued in July last, which sums up this idea in the following language:

Gradually developing from the influence of economic improvement it intensifies and sustains the improvement that caused it.

It can be readily seen, sir, that if the plan operates in Canada as well as it has operated in the United States, bearing in mind also the fact that we enjoy a much lower discount rate under this plan than they have in the United States, it will give a definite and effective stimulus to the building industry.