

Mortgage lenders think of the new houses as security for investment income over the years to come.

The post-war housing programme, whatever it has meant to Canadians in general, reflects the greatly expanded capacity of your industry. And this expanded capacity carries with it problems as well as benefits.

Growth in Capacity

In 1945 less than 50,000 new houses were completed in Canada. Because of conditions prevailing then I doubt if your industry could have built many more than 50,000 units in 1945 at any price level. Last year, however, there were over 106,000 housing completions in Canada and the industry was not working as close to capacity as in the immediate post-war years. There are more builders now, building better homes. We have more materials and labour and better materials and labour than we did in 1946.

Production of cement for instance is now more than twice as great as in 1946. Brick production is up 75 per cent. Output of asphalt shingles is up about 50 per cent. The construction labour force has increased by more than 50 per cent since 1946.

The greater availability of labour and materials in itself has done much to raise the capacity of the construction industry in general and house builders in particular. But equally important has been the greater availability of good house building entrepreneurship.

The light construction industry is notoriously easy of access. When the profits are good there seems no limit to those who are anxious to become house builders. Any prolonged period of high demand, such as we have had for the last 10 years is bound to attract many new people into the industry. From 1946 to 1952, for instance, the number of corporate builders' income tax returns, tabulated by the Department of National Revenue, increased by 138 per cent. There has doubtless been further increase since 1952. This expansion has unquestionably contributed to the growth in the industry's capacity.

Now with so many builders there is bound to be a wide variation of technical and managerial skills among them. This means that there is room for improvement in the efficiency of some of the builders. Even the best builders readily admit that they can benefit and improve under the impetus of competition. That there has been an overall improvement is demonstrated by the type of housing being built today compared to that built in the immediate post-war period.

The improvement in the efficiency of builders has probably done more to raise house building capacity over the past 10 years than the increase in your numbers. I feel it will be even more important in the future.

Post-War Demand

Underlying the growth in Canada's house building capacity since the end of the war has been the high and growing demand for new housing.