

Monetary Times

Trade Review and Insurance Chronicle
of Canada

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THE GOVERNMENT'S HOUSING PROGRAM

The Dominion Government has announced that it will loan funds to the provinces up to a total of \$25,000,000, for the purpose of assisting in the construction of houses throughout the Dominion. Quite apart from the wisdom of a measure of this kind it is obvious that it is a violation of the spirit if not of the letter of the terms upon which the second Victory Loan has been raised. The official prospectus stated that the proceeds of the loan would be used for war purposes only and the purpose in question cannot by any stretch of argument be shown to be an essential part of the prosecution of the war or of demobilization. The money will be loaned to the province at 5 per cent. so that the Dominion Government loses one-half per cent. upon the money handled by it, and in addition, the expenses involved both in raising that portion of the Victory Loan used in this way and the expense of making the loans to the provinces. Upon the total of \$25,000,000 this would be \$125,000.

If the Dominion Government responds in such a fashion to every agitation which is raised for money on easy terms, the proceeds of the Victory Loan will soon be used up. The housing problem, if there is such a problem at all, is certainly not a national one, but has been recognized in the United States and in Great Britain as merely an extraordinary condition which has arisen in centres of urban war industries. The causes which have been maintaining this unusual condition are now being removed.

The municipality of Toronto, which was one of the cities most affected, appointed a commission last August to report upon the housing question. The findings of the commissioners have just been made public and they arrived, therefore, at an opportune time in view of the Dominion Government's action. Valuable information, not only regarding the city of Toronto, but regarding the

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Dominion as a whole, is given in this report. * The population of Toronto decreased during 1915 and 1916, but has increased during the last two years when the munitions business has been at its height and when improved general conditions attracted an influx of population from outside centres. Consequently the number of vacant houses has decreased but owing to the high costs of construction very few building permits have been issued during the war years. The commissioners express the opinion that there will be a demand for small houses costing from \$2,000 to \$3,000 in the near future.

The most valuable feature of the report, however, as regards the present question, is the summary it gives of housing conditions throughout Canada. The commissioners circularized the principal cities of the Dominion, municipalities of Ontario, and industrial companies throughout the country. Most of the municipalities report that there is no housing problem and none of them intimated any intention of going into the building business. This is in line with the experience of the Ontario Government in connection with its recent housing scheme by which it offered to loan funds to municipalities at 5 per cent. for building purposes provided the municipality financed part of the cost itself. Practically no advantage has been taken of this offer. So long, in fact, as money rates remain high municipalities cannot gain much by borrowing part of the funds at 5 per cent. and having to pay from six to seven per cent. for the remainder.

The erection of houses is a decidedly speculative enterprise and the action of the Dominion Government in encouraging the provinces to enter such a business is ill-advised. The Toronto commission reports that the solution can best be left in private hands and that with the decreasing cost of supplies and the presence of a valuable supply of labor there will soon be no place where the question can be of sufficient gravity as to warrant any government action.