

of the year, the increase can only be attributed to the National Housing Act and its attractive provisions.

A few statistics will, I believe, serve to confirm this premise. For example, new housing starts in urban areas in Canada during the first eight months of the year of 58,289 dwelling units were 29 per cent above the 45,199 reported for the same period of 1960. And for the 1961 total, more than 32,000, or 56 per cent, were financed under the National Housing Act.

Again, National Housing Act lending activity from January to August inclusive climbed to 45,150 units as compared with 16,584 units a year ago, which is an increase of more than 172 per cent. Approved lenders such as life insurance and trust and loan companies accounted for 26,702 of the total units for this period, as compared with only 10,449 a year ago. The fact is that 40 per cent of the total number of units were built as a result of the direct loans made by Central Mortgage and Housing Corporation under the National Housing Act.

The amount of public funds invested in new house construction has shown an even greater increase. Loan approvals by Central Mortgage and Housing Corporation in the first eight months of the year were for 18,448 dwelling units, as compared with 6,135 in the same period last year.

It is apparent that we could not have a volume of National Housing Act lending and of new house construction of this magnitude without an important impact on employment. In this connection, it has been estimated—and I quote:

If each new dwelling unit financed under the National Housing Act involves $2\frac{1}{2}$ man-years of employment on and off site, then NHA mortgage lending for eight months this year has contributed to more than 112,000 man-years of employment and, of these, direct federal lending has been responsible for 46,000 man-years.

There will be some honourable senators who may wonder about the market in the light of this statistical story. The market has, in fact, shown steady improvement since February when there were 4,913 dwellings completed and unoccupied in metropolitan and major urban areas. At the end of August, the inventory had dropped by more than 1,000 units to 3,903, the lowest since September, 1960, notwithstanding the substantial number of completions from March to August. I remind honourable senators that 3,903 units, judging from past sales, are just enough for a two-week period.

There is also progress to be reported in the development of an active secondary mortgage market in Canada, a matter with which we concerned ourselves earlier in the session. Two successful offerings of National Housing Act insured loans have been made by Central Mortgage and Housing Corporation, and a third is anticipated during the next few months. The value of accepted tenders in the two auctions totalled \$22.5 million, in addition to which there were accepted requests for options in the August offering for \$3.75 million. Bids were received from chartered banks, life insurance and trust companies, and investment dealers.

The response by municipalities has also pointed up the urgent need that existed for federal Government assistance in the construction of sewage disposal projects, which assistance was made available through the National Housing Act late last year.

Requests for these long-term low-interest loans have come from all provinces in Canada, and they have come from municipalities of every size. In most of the smaller communities, sewage systems are being provided where they did not exist before. What is more, construction of sewage systems in these localities has, in many instances, encouraged the installation of public water systems to replace individual wells.

Since the legislation was passed last December, Central Mortgage and Housing Corporation has already approved 106 loans to municipalities. In addition, 14 other formal applications are being considered which will mean that more than \$44 million of the \$100 million provided by statute for this purpose will have been allocated. There are also on hand 203 preliminary inquiries, representing a loan potential of \$70 million, so that by early 1962 the entire \$100 million should be committed.

The response by Canadian universities and colleges has been equally gratifying, and I can state without equivocation that the program is achieving conspicuous success. Applications for loans have been received from 30 universities and colleges, and an additional 23 have made preliminary inquiries. Sixteen loans in the amount of \$18 million have been approved, and approvals and applications on hand will result in loans totalling more than \$35 million. These would provide accommodation for some 7,800 resident students.

Active research into methods of providing Canadian families with improved housing at lower cost is another responsibility under the National Housing Act. Expenditures by Central Mortgage and Housing Corporation under