

*National Housing Act*

the word. Even at that, it is inadequate to meet the needs of Canada's growing population. It is a selective enterprise providing housing for only a small part of the veteran group who are desirous of obtaining homes.

If homes are to be provided for the low income group, comprising two-thirds of Canada's population, it seems apparent that the government must adopt a programme of subsidized housing similar to that in countries such as Sweden, Denmark and the United Kingdom. Only by such a programme can the needs of our citizens be met.

I do not propose at this time to discuss the housing programmes embarked upon by the governments of these countries. But I wish to emphasize the great need of such a programme in Canada. Present inducements to builders and to investors appear wholly inadequate to provide the type of low-cost housing which the majority of Canadians require.

Housing is still one of Canada's most acute shortages. The situation has been aggravated by the return of veterans who are seeking to set up households; and by others, too, who are endeavouring to obtain separate accommodation, after doubling up during the long and terrible war years. This shortage will probably remain with us longer than any other, if the backlog of housing construction contracts is any indication. In order properly to appreciate the problem, one must review housing construction in this country for the past two decades. In the ten years prior to the outbreak of the war, economic conditions were so bad that people were unable to provide sufficient capital with which to build or purchase homes. As a consequence, many were forced to double up with friends or relatives. When war production began many families moved to the larger centres to seek employment and this taxed the available housing accommodation in those centres. In a short time the demand for shelter exceeded the available supply.

For years housing construction has lagged in Canada because there was no government subsidized building programme. As an example, in 1933 only 14,000 housing units were built in Canada and in the year of the outbreak of the war, 1939 only 39,000 housing units were erected. These hardly took care of the demand created by the natural increase in population. I believe that this in itself is sufficient proof that low-cost housing cannot be provided without some scheme of subsidized housing on the part of the government. Canada entered the war years with a housing deficiency and even in pre-war years many of our people were living in very close quarters.

[Mr. McKay.]

Because of the improvement in economic conditions brought about by war production, the marriage rate increased and new families demanded homes. At the conclusion of the world conflict thousands of young veterans returned home intent on marriage or accompanied by European brides and hoping to set up homes here in Canada. Many of those young men are still seeking suitable shelter. Canada is now entering a period of reconstruction and housing is one of our greatest needs. Construction costs today are prohibitive for those in the low income group and without government assistance there is little hope that these people will ever have decent homes. The government must take the leadership in this matter, so that Canadians, whether rich or poor, may be able to secure homes of their own.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, I believe that hon. members in all sections of the house will welcome a resolution that will help relieve Canada's mounting housing problem, but a resolution of this kind should not be allowed to pass without the administration being requested to change its policy and to proceed in another direction. I do not think there can be any disagreement with regard to the proposal made by the minister with respect to increasing the ratio of loans to lending value; secondly, to including under part I houses having two housing units, third, to extending the period of amortization and, fourth, to providing facilities so that direct loans can be made.

I presume that under the fourth proposal made by the minister it will be possible for the citizens in rural sections to take advantage of the National Housing Act. A year ago I had some experience with the administration here in connection with attempting to get clearance for loans on rural housing, but the machinery is so complicated that I do not think any loans have been approved up to date in the part of the country in which I live. I feel that we should offer as vigorous a protest as possible against the proposal that we empower life insurance, trust and loan companies to purchase, improve and sell land to be used for residential housing developments, and authorize Central Mortgage and Housing Corporation to guarantee such companies the return of the principal invested in such land and improvements, together with interest thereon at a rate not to exceed two per centum per annum.

Here is another example of a democratic government handing over to private organizations outside parliament responsibilities which should be assumed by either the federal