

*National Housing Act*

this desire to own a house and a plot of land. About 70 per cent of new housing has been in the form of home ownership.

The typical new suburban home has about 1,000 square feet of living space, usually all on one floor level, and a place for the family car. Since this normally requires a 50-foot lot, our modern suburbs now accommodate no more than four families to an acre. This demand for living space has placed a severe strain upon the whole structure of local government. The suburbs have spread far beyond the boundaries of central cities and so the task of providing streets and sanitary services and schools has been imposed upon municipalities that, in many instances, had little previous experience and few resources for this purpose. In many of these areas community planning had not been completed in advance of the tide of suburban growth. It is not surprising, therefore, that some new suburbs lack the quality of good design which might have been achieved if our cities had grown at a more leisurely pace.

Mr. Speaker, the National Housing Act is a comprehensive and flexible piece of legislation. From time to time parliament has approved new measures and amendments to meet fresh and changing situations. One of the most important changes was made in 1954 when the system of loan insurance was introduced into the act.

The most important function of the national legislation has been to encourage a steady flow of mortgage funds. Until 1954 this was largely accomplished through the joint loan system by which the federal government provided 25 per cent of the amount of each loan, the balance being provided by a lending institution. Under the 1954 act the federal government no longer contributes a share of the loan but insures the lender against loss. With this measure of protection the chartered banks and Quebec savings banks entered the mortgage loan field for the first time. By this means there were made available for investment in housing the savings of the Canadian people.

From the borrowers' point of view, the participation of the banks has had a value beyond the absolute increase in the quantity of mortgage funds. The extensive branch system of the banks has added about 4,000 new points where a borrower can seek a house loan. Many of these branches are in areas where there were previously no private sources of loans under the act.

The 1954 act also aided borrowers by extending the period of amortization and raising the amount of the loan.

The new act came into operation in March 1954. From that time to the end of 1955

nearly 90,000 National Housing Act loans were committed for the construction of more than 103,000 housing units. The total value of these loans was more than \$977 million, of which the banks loaned more than \$472 million for the building of more than 50,000 units. The insurance companies and other lending institutions continued to play their traditional important role and accounted for 53,000 units with loans totalling \$500 millions.

In 1954 there were about 97,000 housing starts in urban areas and in 1955 the urban starts were close to 107,000. Most of this increase in numbers took place through the National Housing Act and is attributable to the mortgage investments of the banks.

Another evidence of the benefits of the 1954 act is the decline in the number of occasions on which Central Mortgage and Housing Corporation has been called upon to make direct loans. It has been our policy that where private lending arrangements are not available, borrowers could enjoy the benefits of the National Housing Act by direct access to Central Mortgage and Housing Corporation. In 1953 the corporation made loans of this kind for nearly 3,400 housing units, but in the two years since the new act came into effect a total of only 1,200 units have had to be financed in this way.

The principal result of the housing activities aided by the national housing acts is to be seen in the new suburbs of our cities where so many families have been able to acquire homes. There is another aspect of our housing affairs, however, to which we should now, I believe, give greater attention. While the suburbs have been spreading into the surrounding countryside, many changes have overtaken the existing housing in the interiors of cities. In old residential districts some houses have been replaced by apartment buildings and many have been converted to boarding houses and other uses. From a whole century of house building Canadian cities have inherited a stock of housing which is caught in the relentless process of deterioration and obsolescence. The growth of cities has placed new demands upon the hearts of urban areas, with increasing traffic, growing commerce and a changed pattern of living. But during the last 10 years the prior need to build new suburbs did not permit any concerted action to conserve and replace the existing stock of the nation's housing.

There are now more than 3.8 million housing units in Canada. Two-thirds of these are more than 25 years old, more than half a million are more than 50 years old, and about 10 per cent of all our housing is more than 75 years old. This used housing