

of housing conditions; and (2) to assist in the absorption of unemployment by the stimulation of the construction and building material industries. The Act is comprised of three separate parts.

PART I re-enacts the main features of the Dominion Housing Act, 1935, with important amendments designed to encourage the construction of low-cost houses and the extension of lending facilities to the smaller and more remote communities. The Minister is empowered to make advances and pay expenses of administering this Part to the extent of \$20,000,000, less advances already made and administrative expenses already incurred under the Dominion Housing Act which amounted to approximately \$5,500,000. All loans are made through approved lending institutions. Loans may be for an amount not exceeding 80 p.c. of lending value of the property. Where lending value is \$2,500 or less and the house is being built for an owner-occupant, loans may be for an amount not exceeding 90 p.c. of such lending value. The equity of at least 20 p.c. or 10 p.c., respectively, is to be provided by the borrower. Provision is also made for loans ranging between 70 p.c. and 80 p.c. when the lending value exceeds \$2,500, and for loans ranging between 50 p.c. and 90 p.c. when the lending value does not exceed \$2,500. In order to encourage the extension of the Act to the smaller and more remote communities, and to special areas in the larger centres, the Minister is authorized to guarantee approved lending institutions against loss up to an amount not in excess of 25 p.c. of the total amount of such loans made by each such lending institution. The Minister has entered into contracts with various lending institutions under which guarantees are given running from a minimum of 7 p.c. to a maximum of 25 p.c., based on the total amounts and classes of loans made by the lending institutions. The interest rate paid by the borrower on all loans made under Part I is 5 p.c. This is made possible by the fact that the Government advances one-quarter of the total mortgage money on an interest basis of 3 p.c. Loans are made for a period of 10 years subject to renewal for a further period of 10 years upon revaluation of the security and on conditions satisfactory to all parties concerned. Interest, principal, and taxes are payable in monthly instalments. Amortization of principal over 20 years is provided for, but more rapid amortization may be arranged to suit the borrower. Sound standards of construction are required.

The results of operation under the Dominion Housing Act (October, 1935-July, 1938, inclusive), and the National Housing Act to the end of December, 1938, are as follows:—

**1.—Loans, Units, and Amounts of Loans Approved under the Dominion Housing Act, 1935, and Part I of the National Housing Act, 1938, by Provinces, calendar years 1935-38.**

Province.	Loans.				Family Units Provided.			
	1935.	1936.	1937.	1938.	1935.	1936.	1937.	1938.
	No.	No.	No.	No.	No.	No.	No.	No.
Prince Edward Island.....	Nil	6	4	5	-	6	4	5
Nova Scotia.....	"	93	186	139	-	96	136	149
New Brunswick.....	"	12	48	50	-	12	51	55
Quebec.....	38	193	303	355	62	413	524	745
Ontario.....	37	324	604	1,076	37	385	839	2,119
Manitoba.....	Nil	12	36	110	-	12	36	170
Saskatchewan.....	"	Nil	2	5	-	-	2	5
Alberta.....	"	"	Nil	Nil	-	-	-	-
British Columbia.....	"	10	243	784	-	10	319	890
<b>Totals.....</b>	<b>75</b>	<b>650</b>	<b>1,426</b>	<b>2,524</b>	<b>99</b>	<b>934</b>	<b>1,361</b>	<b>4,138</b>