

SESSION 1946  
HOUSE OF COMMONS

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SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 43

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TUESDAY, JULY 9, 1946

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## WITNESSES:

Mr. W. S. Woods, Deputy Minister, and Mr. W. G. Gunn, Departmental Counsel, Department of Veterans Affairs; Mr. Charles Van Norman.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946

## REPORTS TO THE HOUSE

TUESDAY, July 9, 1946.

The Special Committee on Veterans Affairs begs leave to submit the following  
as a

### FIFTEENTH REPORT

Your Committee recommends that the Government consider the advisability of introducing a bill respecting loans to veterans to assist their establishment in business or professionally. A draft of the bill proposed by your Committee is appended hereto.

Your Committee further recommends that assistance, similar to that recommended for veterans, also be made available to former members of the Merchant Marine.

All of which is respectfully submitted.

WALTER A. TUCKER,  
*Chairman.*

## DRAFT OF A PROPOSED BILL

### AN ACT RESPECTING LOANS TO VETERANS TO ASSIST IN THEIR ESTABLISHMENT IN BUSINESS OR PROFESSIONALLY.

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. This Act may be cited as *The Veterans' Business and Professional Loans Act*.
2. In this Act, unless the context otherwise requires,
  - (a) "bank" means a bank incorporated by or under the provision of *The Bank Act*;
  - (b) "business" includes trade, industry or profession;
  - (c) "Minister" means Minister of Finance;
  - (d) "prescribed" means prescribed by regulation;
  - (e) "purchase of a business" includes the purchase of an interest in an existing business and the advance of capital for a new business, if the business is to be the main occupation of the veteran and he intends to participate actively in that business;
  - (f) "regulations" means regulations made under this Act;
  - (g) "veteran" means a person resident and domiciled in Canada who has received or is entitled to a gratuity under *The War Service Grants Act, 1944*, and who has not elected to take benefits under *The Veterans' Land Act, 1942*.
3. The Minister shall, subject to the provisions of this Act, pay to a bank the amount of loss sustained by it as a result of a loan made to a veteran if
  - (a) the loan was made pursuant to an application in the form prescribed, signed by the veteran and stating the purpose for which the proceeds of the loan were to be used;
  - (b) the application stated that the loan was required by the veteran for one or more of the following purposes:
    - (i) the purchase or repair of tools, instruments or equipment for his business;
    - (ii) the purchase of a business;
    - (iii) any purpose connected with the establishment or expansion of his business as may be prescribed;
  - (c) a responsible officer of the bank certified that he had scrutinized and checked the application for the loan with the care required of him by the bank in the conduct of its ordinary business;
  - (d) the principal amount of the loan, together with the amount of any loan previously applied for by the veteran and concurred in under this Act and disclosed in his application, or of which the bank had knowledge, did not exceed the sum of three thousand dollars;
  - (e) the amount of the loan did not exceed two-thirds of the proposed total expenditure by the veteran for the purpose stated in the application;
  - (f) the loan was repayable in full by the terms thereof in not more than ten years;

- (g) the rate of interest on the loan did not exceed five per centum per annum simple interest so long as the veteran was not in default;
- (h) no fee, service charge, or charge of any kind other than interest, except such charge for insurance as may be authorized by the regulations, was, by the terms of the loan, payable to the bank in respect of the loan so long as the veteran was not in default;
- (i) the application for the loan was concurred in by or on behalf of the Minister of Veterans Affairs before the loan was made and such concurrence shall be conclusive evidence that the applicant for the loan is a veteran;
- (j) repayment of the loan was secured in such manner as may be prescribed; and
- (k) the loan was made on such terms and in accordance with such conditions in addition to those specified in the preceding paragraphs as may be prescribed.

4. The minister shall not be liable under this Act to make any payment to a bank in respect of loss sustained by it as a result of a loan under this Act

- (a) made more than five years after the commencement of this Act; or
- (b) made after a date and time not earlier than two weeks after despatch of a notice by the Minister to the head office of the bank by telegram or registered post, stating,
  - (i) that the aggregate principal amount of such loans made by all banks has reached twenty-five million dollars, or
  - (ii) that, the Governor in Council having approved, the making of new loans under this Act shall terminate,

but the provisions of this section shall not relieve the Minister of any liability imposed on him under this Act in respect of a loan previously made by the bank.

5. The Minister shall not be liable under this Act to pay to a bank a total amount in excess of twenty-five per centum of the aggregate principal amount of loans under this Act made by such bank up to and including one million dollars, plus fifteen per centum of such aggregate principal amount which exceeds one million dollars.

6. (1) The Governor in Council may, on the recommendation of the Minister of Veterans Affairs and the Minister of Finance, make regulations,

- (a) to prescribe a form of application for loans;
- (b) to prescribe the security if any, to be taken by the bank for the repayment of any loan;
- (c) to prescribe the terms of repayment and other terms not inconsistent with this Act upon which said loans are to be made;
- (d) to prescribe forms of notes and documents to be used in connection with loans or for the effective operation of this Act;
- (e) to provide that in the event of an actual or impending default in the repayment of a loan, the bank may, notwithstanding anything contained in this Act (but subject to paragraph (g) of clause three) with the approval of the borrower alter or revise any of the terms of the loan or any document connected therewith, and that such alteration or revision shall not discharge the liability of the Minister in respect thereof;
- (f) to prescribe in the event of default in the repayment of a loan, the legal or other measures to be taken by the bank and the procedure to be

followed for the collection of the amount of the loan outstanding, the disposal or realization of any security for the repayment thereof held by the said bank and the rate of interest to be charged on overdue payments;

- (g) to prescribe the method of determination of the amount of loss sustained by a bank as a result of a loan and the procedure to be followed by a bank in making a claim for loss sustained by it in respect of a loan made under this Act;
- (h) to prescribe the steps to be taken by a bank to effect collection on behalf of the Minister of any loan in respect of which payment has been made by the Minister to the bank under this Act, and to provide that on failure by the said bank to take such steps the amount of such payment may be recovered by the Minister;
- (i) to require reports to be made periodically to the Minister by a bank in respect of loans made by it under this Act;
- (j) to make provision for any other matter deemed advisable or necessary to carry out the purposes of this Act.

(2) No regulation shall be effective until published in the *Canada Gazette* and thereafter it shall be effective and shall have the same force and effect as if it had been enacted in this Act.

7. (1) Notwithstanding anything contained in *The Bank Act* or any other statute, if a bank makes a loan under this Act in respect of which it is required by regulation to take security on real or immovable property, the bank may at the time of making such loan take as security for the repayment thereof and the payment of interest thereon,

- (a) a mortgage or hypothec upon the real or immovable property in respect of which all or part of the proceeds of the loan are to be expended;
- (b) an assignment of the rights and interest of a purchaser under an agreement for sale of the real or immovable property in respect of which all or part of the proceeds of the loan are to be expended.

(2) A bank shall have and may exercise, in respect of any mortgage, hypothec or assignment taken under this section and the real or immovable property affected thereby, all rights and powers which it would have or might exercise if such mortgage, hypothec or assignment had been taken by the bank by way of additional security under *The Bank Act*.

8. (1) Any person who makes a statement in an application for a loan under this Act which is false in any material respect, or who uses the proceeds of such loans for a purpose other than that stated in his application, shall be guilty of an offence under this section and liable on summary conviction to a fine of not more than five hundred dollars.

(2) When any person is convicted of an offence under this section, there shall be imposed on him, in addition to any fine or imprisonment, a penalty equal to such amount of the loan made to him in respect of which such offence was committed as has not been repaid by him, with interest thereon to the date of payment of such penalty, and such penalty shall be paid to the bank by which the loan was made, or if payment has been made by the Minister to the said bank in respect of the loan, the said penalty shall be paid to the Receiver General of Canada and such payment to the bank or the Receiver General shall discharge the liability of such person to repay the loan.

9. (1) Where payment is made by the Minister to a bank under this Act in respect of any loss sustained by the bank as a result of a loan under

this Act, the bank shall execute a receipt in favour of the Minister in such form as may be prescribed, and the Minister shall thereupon be subrogated in and to all rights of the bank in respect of such loan and, without limiting the generality of the foregoing, all rights and powers of the bank in respect of the loan, and in respect of any judgment in respect thereof obtained by the bank, and in respect of any security taken by the bank for the repayment thereof, shall thereupon be vested in the Minister on behalf of His Majesty, and the Minister shall be entitled to exercise all the rights, powers and privileges which the bank had or might exercise in respect of such loan, judgment or security, and to commence or continue any action or proceeding in respect thereof, and to execute any documents necessary by way of release, transfer, sale or assignment thereof, or in any way to realize thereon.

(2) Any document purporting to be a receipt in the prescribed form and purporting to be signed on behalf of the bank shall be evidence of the payment by the Minister to the bank under this Act in respect of the loan therein mentioned and of the execution of such document on behalf of the bank.

10. The Minister may pay any amount payable to a bank under this Act out of unappropriated moneys in the Consolidated Revenue Fund and the Minister and the Minister of Veterans Affairs may pay any amount necessary to meet the expenses incurred in the administration of this Act out of moneys appropriated by Parliament for the purpose.

11. The Minister shall annually prepare a report with respect to the administration of this Act during the preceding calendar year, and such report shall thereupon be laid before Parliament, or together with all regulations passed under the provisions of this Act, or, if Parliament is not then sitting, within fifteen days after the commencement of the next ensuing session thereof.

12. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

TUESDAY, July 9, 1946.

The Special Committee on Veterans Affairs begs leave to present the following as a

#### SIXTEENTH REPORT

Your Committee recommends that the Government consider the advisability of introducing a bill respecting veterans of Forces allied with Canada. A draft of the bill proposed by your Committee is appended hereto.

All of which is respectfully submitted.

WALTER A. TUCKER,  
*Chairman.*

#### DRAFT OF A PROPOSED BILL

An Act respecting Veterans of Forces Allied with Canada.

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. This Act may be cited as *The Allied Veterans Benefits Act*.

2. In this Act, unless the context otherwise requires,

- (a) "allied veteran" means a person who, subsequent to the tenth day of September, 1939, served in the armed forces of any of the nations allied with His Majesty in active operations against the enemy in the war and who, at the time he joined any such forces, was domiciled in Canada;
- (b) "enemy" means Germany and Japan and the other nations associated with those nations in the war;
- (c) "Minister" means the Minister of Veterans Affairs;
- (d) "war" means the war which commenced on the tenth day of September, 1939.

3. Subject to the provisions of this Act, every allied veteran who within two years from the date of his discharge from service or the eighth day of May, 1945, whichever is the later, is domiciled and resident in Canada shall be deemed to have served in the forces of His Majesty other than Canadian forces, for the purposes of *The Veterans Rehabilitation Act*, *The Veterans' Land Act*, 1942, and *The Department of Veterans Affairs Act*, and by reason of such service entitled to all rights, privileges and benefits thereunder, subject to such conditions as are in the said statutes contained.

4. Subject to the provisions of this Act, every allied veteran who, within two years from the date of his discharge from service or the eighth day of May, 1945, whichever is the later, is domiciled and resident in Canada or who dies on service shall be deemed to have served in the forces of His Majesty other than those raised in Canada for the purposes of *The War Service Grants Act*, 1944, and by reason of such service, entitled to all rights, privileges and benefits thereunder, subject to all conditions contained in said statute except those contained in section four and subsection three of section seventeen thereof.

5. (1) Where an allied veteran, after establishing domicile in Canada within two years from the date of his discharge or the eighth day of May, 1945, whichever is the later, dies before he has received in full the rights, privileges and benefits to which he may have been entitled under *The War Service Grants Act*, 1944, and leaves a widow, such widow, if resident in Canada and being maintained by the veteran at the time of his death, shall, if she has not remarried and subject to the provisions of the said Act, be entitled to receive such rights, privileges and benefits or such remaining part of them as the allied veteran did not receive.

(2) Where an allied veteran dies on service leaving a widow who was married to him at the time he joined the said forces, and if such widow has not remarried, and if she was domiciled and resident in Canada at a time within two years from his death or the eighth day of May, 1945, whichever is the later, and is so domiciled and resident at the time of her application, such widow shall be entitled to receive the rights, privileges and benefits under Part I of *The War Service Grants Act*, 1944, to which the allied veteran would have been entitled at the time of his death.

(3) Where no person qualifies under the two immediately preceding subsections of this section to receive the rights, privileges and benefits to which the deceased veteran was in his lifetime entitled and such veteran leaves a mother resident in Canada who, in the opinion of the Minister or such person as the Minister may designate, was wholly dependent on the veteran immediately prior to his death, such mother shall be entitled to such rights, privileges and benefits or such remaining part of them as the allied veteran did not receive.

(4) Where a widow or a mother eligible to receive the rights, privileges and benefits in respect of any veteran pursuant to this section dies before receiving such rights, privileges and benefits, those rights, privileges and benefits or such of them as have not been granted or paid shall not pass to the heirs of the widow or the mother, as the case may be, but shall on the death of the person so eligible cease to exist.

6. Where rights, privileges and benefits of the same nature as are in this Act provided are available at the time of application to or in respect of any allied veteran domiciled in Canada, from the government of a nation with whose armed forces the veteran served, the Minister shall deduct the value of such rights, privileges and benefits from those available to the veteran under this Act, unless arrangements have been made with the said government for reimbursement to Canada of the cost, exclusive of administrative costs, of providing to such allied veteran, his widow or mother, the rights, privileges and benefits available to or in respect of him from said government and such arrangements have been approved by the Governor in Council.

7 (1) The Minister may make arrangements with the government of a nation with whose armed forces any allied veteran served to ensure, so far as possible, reciprocal treatment by such nation to former members of His Majesty's Canadian forces resident within the territories of such nation.

(2) The Minister may make arrangements with the government of a nation with whose armed forces any allied veteran served whereby the administrative facilities of the Department of Veterans Affairs or of any other agency under the administrative authority of the Minister, may be made available without cost to such government in carrying out any plans of such government for the rehabilitation of any allied veteran.

8. The Governor in Council may make such rules and regulations as may be necessary or advisable to give effect to the provisions of this Act.

9. Order in Council P.C. 7516 of the 22nd day of January, 1946, is revoked.

10. This Act shall be deemed to have come into force on the twenty-second day of January, 1946.

## MINUTES OF PROCEEDINGS

TUESDAY, July 9, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Ashby, Baker, Belzile, Benidickson, Blair, Brooks, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Green, Harris (*Grey-Bruce*), Herridge, Jutras, Kidd, Langlois, Lapointe, Lennard, Mackenzie, Macdonald (*Halifax*), MacNaught, McKay, Merritt, Mutch, Pearkes, Qulech, Ross (*Souris*), Sinclair (*Vancouver N.*), Tremblay, Tucker, White (*Hastings-Peterborough*), Winters, Wright.

*In attendance:* Mr. W. S. Woods, Deputy Minister, and Mr. W. G. Gunn, Departmental Counsel, Department of Veterans Affairs; Mr. Charles Van Norman.

Mr. Van Norman was called, heard, questioned and retired.

The Committee proceeded to reconsideration of the draft of a proposed bill respecting veterans of forces allied with Canada.

Mr. Woods was recalled, heard and questioned.

Mr. Baker moved that clause three be amended by the deletion of the words *and who is a British subject* following the word *Canada* in line four thereof and the substitution therefor of the words *who has declared by affidavit his intention to file an application to become a British subject*; and that clause four be amended by the deletion of the words *is a British subject* following the word *who* in the second line thereof and the substitution therefor of the words *who has declared by affidavit his intention to file an application to become a British subject*.

Mr. Winters moved in amendment that clause three be amended by the deletion of the words *and who is a British subject* following the word *Canada* in line four thereof; and that clause four be amended by the deletion of the words *is a British subject* following the word *who* in the second line thereof, and by the deletion of the words *and every allied veteran* following the word *Canada* in line four and the substitution therefor of the word *or*.

After discussion, and the question having been put on the said amendment, it was resolved in the affirmative.

The draft bill was further amended by the addition of the following as clause 10:—

10. This Act shall be deemed to have come into force on the twenty-second day of January, 1946.

The draft bill, as amended, was adopted and the Chairman ordered to report to the House accordingly.

At 1.00 o'clock p.m., the Committee adjourned until Thursday, July 11, at 11.00 o'clock a.m.

A. L. BURGESS,  
Clerk of the Committee.

## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 9, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: As decided in the committee, our first order of business this morning is to hear Mr. Van Norman, architect, who drew the designs for some of our Veterans' Land Act houses and who has been advising the British government in regard to housing over in Great Britain. It was the desire of the committee to hear from him shortly along the lines of some of his experience that he thought might be helpful to the committee. I will ask Mr. Van Norman to come forward. You can either sit or stand, whichever you like.

Mr. GREEN: Is Mr. Murchison here?

The CHAIRMAN: Mr. Murchison is away on his vacation. Would you prefer to sit or stand, Mr. Van Norman? You can do whichever you like.

Mr. VAN NORMAN: I may stand or I may sit, Mr. Chairman.

Mr. HERRIDGE: Pardon me for interruption at this point, Mr. Chairman, but I think it would be very opportune if Mr. Van Norman gave the committee an outline of his professional experience and the work he has been doing in the past before going into his recommendations.

### Mr. C. Van Norman, called.

The WITNESS: Mr. Chairman and members of the Veterans Affairs Committee, I am glad to be here if I can be of some assistance to you by my experience in housing. I graduated from Manitoba University back in 1928 in architecture and have been in Vancouver since 1929. I opened an office there in 1931. I have been practising architecture ever since. Like all young college graduates who start out, you get your teeth into some houses. You are very fortunate to do that, and I seem to have gained a reputation for house work which has led me to become a consultant on many large housing schemes. I was the first architect appointed by your Veterans Affairs Department to get out some designs for these small holdings. Then as the housing situation grew more acute in the world in various countries, whether they were affected by the war blitz or not, there seemed to be a lot of information required as to the use of timber for housing by various other governments, as a result of the shortage of material and one thing and another that had developed. It was through the Department of Trade and Commerce in London and the department in Glasgow, where the Ministry of Works were seeking information on the utilization of Canadian timber and housing, that they had asked the Department of Trade and Commerce here if they would have somebody go over from Canada as a consultant and who knew the integration housing with timber. So I went to Great Britain in 1944 and spent some 3 months there with the housing authorities reviewing their housing set-up and going into their post-war housing schemes, and developed a type of timber houses that would suit the British authorities for their permanent housing policy. It was in that connection that they invited me back again to send over some of these houses, which I did and had them erected in Burton, for the Rural District Council, in Derbyshire.

From then on they have passed the dollar exchange for several hundreds more forming the supply in that area.

It is pretty difficult for a man to get up here and talk about himself. I should like to say that we in Canada, the professional men, really have not had the broad opportunity that they have abroad to associate ourselves with subsidized housing or mass housing schemes. That has been something that has developed recently.

Before I go on I should like to say that I was a member of the James Committee on the panel of housing and community planning for two or three years. Possibly some of you have read parts of the report. I do not know if you would like to hear something about the British housing policy, and how that is controlled—it is a very interesting set-up—or whether it would be building techniques that you would like to hear something about. I should like to cover both of those subjects in a short space of time, but the subject is very broad and I imagine there are many questions that are in your minds that you would like to ask about. I do not know, Mr. Chairman, whether you would like me to carry on or whether you would like to ask questions.

The CHAIRMAN: I think what the committee would be most interested in is how you found Great Britain was meeting the problem of rising costs of construction and keeping the costs of houses from getting out of line with what people were able to pay in rent. That is, I think, the problem that is facing all building authorities all over the world—to keep the cost of shelter down considering the rising cost of construction.

The WITNESS: That is fine, Mr. Chairman. I do not believe that there is a country in the world where the architects and engineers have developed better house-building technique than they have in Britain. Yes, when you compare the standard of their housing with the amenities that we have, I think our Canadian houses are a little better from the housekeeping point of view. But from the strictly engineering point of view of building and structural frames, economically Britain has progressed further in that field, I believe, than either the United States or Canada.

Housing is controlled in Britain in a very simple manner. The Ministry of Health in England is the parent body through which all housing is cleared. During the war the Ministry of Works took over temporary housing and the policy of permanent housing from the Ministry of Health, but the Ministry of Health are now back controlling the permanent housing schemes. In Scotland it is the Department of Health that is responsible for their housing, which answers directly to the Ministry of Health in London. The country is divided up, or all the rest of the land is divided up into local housing authorities which come under the district clerk of the Grand Council of Architects. Britain's housing policy and her type of house vary greatly from ours. You can understand that, with limited agricultural land and with the concentration of industries, she cannot afford to give every house a 75 foot frontage or  $1\frac{1}{2}$  acres or  $\frac{1}{2}$  an acre of land. She must concentrate her housing in the housing schemes so that she leaves as much land for food production as possible, and the housing therefore develops in row housing, and in the rural areas into semi-detached housing. The Ministry of Health have a very definite standard of housing for all the builders, pre-fabricators and everyone who is interested in housing. They must build houses within those limits. There is also a ceiling price on houses amounting to £1,150 and sometimes it goes to £1,200. But the local housing authority cannot afford to have houses in their communities that cost more than that; so they have the ceiling prices on houses which really force the technical people and the builders to try to meet that ceiling price. Of course, there is no ceiling on private houses for sale, but they have stopped the building of private houses until the council houses or until their housing scheme is well under way. The houses are

allocated to the various housing authorities. In about 30 per cent of the instances the housing authorities themselves build their own houses in England. Up in Scotland about 70 per cent of the houses are built by their own local authorities, so the contractors and pre-fabricators have to sell their products to the local authority which they in turn erect.

Before the war these typical rural workmen's houses were costing £450, £500 and up to £750. To-day there is no pre-fabricated type of house or any ordinary brick house that costs anywhere near that price. But they all come within the range of £1,150 to £1,200. That does not include the land value but it does include the roads and services, the electrical services, sewers, etc. The housing authorities rent these houses at very nominal rents, depending upon the income groups of the people, and the rest of the money is made up through grants from the ministry. That, briefly, is how housing is controlled in England.

I might say something about housing techniques. They are building houses there from pre-cast concrete, from steel, and from timber. They have recently brought in 4,000 timber houses from Sweden which they will use in their rural areas. Through their housing being concentrated in these various areas, through them having to conserve their land, there is a similarity about the British housing schemes. With the semi-detached house it is very hard to get variety. But they are paying a great deal of attention to the subdivision of these homes and the way they are situated on the land and the planning, and their developments are going to be very creditable in the following years. They are trying to eliminate, and have to a great extent eliminated, the builder type of house which so often takes the minimum standard set by the government as the maximum standard. There is quite a competition between the steel industry and the brick industry to get their houses built, and therefore they are paying a great deal more attention to design. I should say that the factory-made houses in Britain are better designed and are a better house for renting than the ordinary site-built house. That is very obvious when those houses are inspected. I mentioned something about—well I had better not get on that subject, if you asked me to stick to the British housing situation.

Mr. SINCLAIR: We should like to know about building technique because the great thing in this country is cutting down the cost of building these houses. What we are most interested in here, I think, is how the cost can be cut down. You talk about factory-built houses. They have not been satisfactory yet in Canada. Then there is the matter you called dimensional co-ordination, as far as mass produced houses are concerned. That is the very thing you have mentioned now, how you can get the most satisfactory houses at the lowest cost for the veterans. I think that is what most of the committee are interested in.

*By Mr. Ross:*

Q. Would you cover this point as to the size and number of rooms in those council unit houses you spoke of, Mr. Van Norman?—A. The houses are basementless houses of 500 square feet on the ground floor, 500 square feet on the top floor. That is the maximum area that is allowed to go into a house in Britain to-day. The houses must have 3 bedrooms and a bathroom. The areas of the rooms are 150 square feet, 120 square feet and, say, 90 square feet. It must have a living room and a dining room, either combined or separate. The area of those rooms must be 220 square feet combined. The kitchen must be approximately 80 square feet, and the usual offices in connection with the rest of the house. But 1,000 square feet is the maximum and 900 is the minimum of living enclosed area.

*By Mr. Cruickshank:*

Q. Are all the houses of same design or do they vary?—A. When the technical people work under these standards that they have, they have north

aspect houses and south aspect houses and they usually take pretty much the same form of plan. I should imagine there would be hardly a dozen different layouts.

Q. What I mean is this. Does the exterior look like a regular mining town, or do they try to vary it?—A. Well, it is rather hard to explain the housing situation.

Q. What I mean is this. You know the average mining town is something like the Veterans' Land Act houses are in our district. The exterior of all the houses is the same. There is uniformity outside?—A. Yes. Well, the British Institute of Steel Fabrication, for instance, are making 20,000 steel houses. The exteriors of those houses vary a little but they are well designed houses and the way they will be grouped on the land will make a pleasant housing development. But when you have so many millions of people there, you cannot really compare their housing scheme with ours, because it is so concentrated there that they mix up steel houses, brick houses and different houses.

Q. What do you mean by steel houses? I do not know what you mean by that.—A. Steel studding, steel roof joists and roof trusses and that sort of thing.

*By Mr. Ross:*

Q. May I ask if those houses are mostly one or two storey houses?—A. They are all two storey houses.

Mr. WRIGHT: Would you say the pre-fabricated houses used in England would be satisfactory in the more vigorous climate here in Ontario or the prairie provinces?

Hon. Mr. MACKENZIE: Louder, please.

*By Mr. Wright:*

Q. Would you say that the pre-fabricated houses used in England would be satisfactory in the more vigorous climate here in Ontario or the prairie provinces?—A. That word "pre-fabrication", sir, I think in the mind of the average person is something that is very confused. There is no reason why the pre-fabricated house or the factory-built house cannot be just as good as and possibly better than the site-built house. After all, a wall section that has a cavity wall—this pre-fabricated steel house will last indefinitely; and so far as the pre-fabricated wooden house that I have sent to Britain is concerned, they look on that as a 75 year structure. It is only a question of the kind of insulation or the amount of material you put in that wall section whether it is suitable for California or whether it is suitable for Ontario or the middle west. The only possible direct approach to lowering housing costs is, first, by the most economical use of the material at hand. You cannot just take the material and figure you are going to use that economically unless you design your structures to use that material economically. Technical people have been studying these housing costs. What is good for the pre-fabrication industry is good for the construction industry. A pre-fabricating plant with a fixed overhead of plant, equipment, taxes and insurance, and the accompanying staff is competing against the builder without a large plant and those builders, numbers of them in Canada, can make a connection in timber pretty economically with a 2 by 4 vertical and 1 horizontal and 2 or 3 studdings and he has got his connection made, whereas the pre-fabricator has got to watch that he is not swept away too far by his technicians, by over-engineering his building, to a point where he has got maybe a very fine system but analyzing his costs and fixed charges he cannot compete against that chap who has possibly his investment in his overalls, his hammer and his toolkit. It has been found that the one thing that pre-fabrication has done is, it has cut the time lag in

building, but it necessarily has not cut the cost appreciably. You can reduce the amount of material in a structure only so far if it is still going to be a good rigid structure; but if you take the amount of timber in an ordinarily constructed house and you re-engineer that into plywood and various panels where skin stresses would go into play, the manufacturing cost of those things would be in excess of what the timber or material would be in its original form. I have spent 6 or 7 years of research on this problem and many hours and thousands of dollars travelling and going through the various plants in the United States and in Britain, and the limited ones we have in Canada. The pre-fabricating industry is doing one good thing; it is teaching and encouraging the technical people to think in terms of conservation of material. The average builder who was going out to build a few houses on a speculative basis or for his client, just depending on what his price was, did not mind whether he wasted a few feet of lumber or so and so; but when we are sitting here discussing housing in the volume that we are, the matter of \$10 or \$15 a house—if you save a door and door frame and a door knob—means a great deal to these housing developments.

*By Mr. Sinclair:*

Q. On that point, would you say in Canada that building on the site is still cheaper than pre-fabrication in view of the great distances and the cost of freight?—A. If I were pre-fabricating in eastern Canada, I should likely develop a different set-up than what I have developed for the west coast, because it is still necessary from a production point of view—for the basic market you are going to have, if you want to sell to individuals, and the few jobs here and there, the 5- and 6-house development—that you have a type of pre-fabricating that ships easily, that is reduced to a 2- or 3-man unit for handling and that sort of thing. The factory-built houses, some of them that are built here, are built in large units. You must have good roads, you must have good transportation facilities, and it would not be very economical to ship those in our urban developments in Canada 3,000 miles away from one territory to another, or not the same as it would be on a pre-fabrication system design where the component parts were much smaller and could be packaged more like lumber where you are cutting out the waste space on panels. In our offshore shipping to the United Kingdom we have to get the weight for the ships. We have to get the tonnage up. They do not want to ship air space. They want weight. So all of these things have an influence on the type of pre-fabrication for the market that you are serving. But basically, the technical problem behind a factory-built house for Ontario or a house in B.C. or one in the eastern states is the economical use of material which means the use of dimensional co-ordination. If you want a definition of that term—you may know what it is—it is the taking and laying out of your plans. We did this in the houses that we did for the Veterans' Land Act and laid all the plans out on a basis so that if anyone wanted to pre-fabricate those houses, there would be the basic system there of planning so that the wall boards that came from the factory, if they were cut in two or cut in four, those pieces would fit in a position where you were not cutting the wall board, a piece to be 2 feet 6 inches, where you had a waste of 1 foot 6 inches.

*By Mr. Brooks:*

Q. How does the cost of labour and the cost of material in England compare with the cost in Canada?—A. The cost of labour there is a little lower, maybe 2/6 an hour for semi-skilled men; but although the cost of labour is less, the amount of work they get out is less, so I think the labour is just as expensive in the long run.

*By Mr. Emmerson:*

Q. Mr. Van Norman, you mentioned the ceiling between £1,100 and £1,200 per house. Is that house with or without a basement or cellar?—A. That is without a basement. They do not have basements in their houses there. I think one good thing that we could learn in this country from Britain is that they do have a good control over their planning. They have gathered together, naturally over a period of years, people that think in terms of mass housing and they have a set of by-laws and rules for any of the private enterprises who are going to do housing that afford a key, a guide for the planning of small houses. In this country of ours where we have been building our own houses, in the average architect's office they have not got the time nor have they the money to spend on research on small housing, because small housing is not just a large house reduced in size. The approach to design of a small house is absolutely different; the utilization of the space is different from what it is in a larger house. If you are going to get housing costs down and develop good contemporary housing in the minimum space, the floor areas must be put to dual use in many instances. But they found that 1,000 square feet gives a nice relaxed minimum, if I might put it that way, for a housing unit, and that as to the 850 square feet to 760 square feet that they used to have, those units were a little bit too small.

*By Mr. Sinclair:*

Q. While you are talking about planning now, does the central government set up building by-laws as well? Because in this country, for example, here on the Prescott highway, the Veterans' Land Act administration has spent a great deal of money digging sewers; yet in the case of the same type of houses in my own part of the country, at Powell River, that matter is under local control, and the cost was much lower for this reason. In Great Britain does the Ministry of Health tell these people they are going to have a septic tank?—A. Yes. It is logical that public health and housing are one and the same thing. You cannot really separate them. The Ministry of Health set all of the standards for houses throughout Britain. Then the local housing authority must construct houses according to that. That is one of the crying needs in this country, a national building code. Our building by-laws are outmoded which prohibit the development of new building techniques. I have seen that instanced in my own case in two or three cities where we were asked to build houses where the building authority here said you must have nails here and the next chap said you do not need nails there; if you are trying to reduce housing costs and you want to provide a good house, you cannot be at the beck and call of the local building inspector. That is one of the things that will have to be attacked before we get a good uniform reduction in housing costs and encouragement along those lines.

*By Mr. Cruickshank:*

Q. What would the £1,200 house rent for?—A. Well, that all depends on the ability of the tenant to pay. For some of those houses they only get £2-6-0 a month, but the authorities make up the deficit. I mean, the landlords are subsidized. As to how they are built, the local housing authority will supply the land to the developer. The developer puts his house on the land and the local housing authority takes those houses off the developer hands at £1,150 or £1,200. He knows what he is going to sell for before he builds them at all, but he does not have to invest in the land.

*By Mr. Ross:*

Q. Are those council unit houses in the old country built on a contract basis or on a cost plus basis to the builder?—A. The builder must put in a bid on those houses.

Mr. CRUICKSHANK: A fixed bid?

*By Mr. Ross:*

Q. A fixed bid?—A. A fixed bid.

Q. A fixed contract. It is not on a cost plus basis?—A. No. It is a straight contract. They will make an agreement with the local housing authority on those houses. They will say, "We will build that type of house." The local housing authority will say, "You will get £1 per square foot for that type of house you build." Therefore the housing costs are controlled and yet the contractors go ahead and build them.

*By Mr. Mutch:*

Q. Have you any idea what the contractor's average profit is in building a £1,200 house?—A. It is very little to-day.

Q. Obviously he makes something or he would not build them.—A. Yes, he does. As a matter of fact, on our housing schemes that we put up there, or which we started on, we were not too well organized with labour and I have not got the actual cost of those houses, but I do not think it would be anything like 10 per cent.

*By Mr. Winters:*

Q. Mr. Van Norman mentioned 4,000 houses imported from Sweden. I presume they were wooden houses?—A. Wooden houses, yes.

Q. That must present quite a shipping problem for a two storey pre-fabricated factory-made wooden house. I wonder if you have any idea as to whether or not that could economically be done from Canada as well as from Sweden?—A. Well, I personally am interested in a company who are shipping timber houses from Canada to Britain to-day.

Q. The same type of two-storey house?—A. It is a two-storey house, yes. But it is a different type of pre-fabricated house altogether from the Swedish house. The Swedish house is made in panels, exterior vertical boarding, where my house is made in interlocking component parts of timber, a lot of it. We have the set-up so that our timber is shipped under a certain system that we have of interlocking this timber on the side and in this way we have designed a system in Canada that will compete with Sweden. The timber houses that we put up in England are sold to the local housing authorities for £1,150, just the same as the brick houses.

*By Mr. Sinclair:*

Q. You are speaking about the houses being put up in Britain for £1,150. Cannot our veterans across Canada get comparable houses for \$4,600? If you can ship houses from Vancouver to England and assemble them there for the cost of £1,150, why cannot you do the same thing cheaper in Canada on the same plan?—A. Well, I think one of your troubles in cost in veterans affairs housing would be in the various districts in which you build. It all depends on the keenness of the competition of the contractors that you get. Over a period of years in architects, or engineers' offices, you will have bids coming in that will vary 15 or 20 per cent for the same set of plans and you will wonder who is right or who is wrong, and it is very hard to explain. That is one reason, Mr. Sinclair, that drove me into this pre-fabrication of housing. I wanted to cut costs, and I wanted to know what it was, and we started talking on this thing and we started building more or less, and before I knew it we were in the house manufacturing business. Now we can control our costs down the line.

Mr. SINCLAIR: The British must have the same problem with the contractors. If they can meet it, we should be able to meet it.

Mr. LENNARD: Not on a cost plus basis.