

Mr. HOWE: I will make this prediction for my hon. friend, that there will be many more builders under the integrated plan as houses sell less freely at the present exorbitant prices being charged by builders.

Mr. TIMMINS: Just to clear the record, I take it that this resolution is not so much an attempt on the part of the loan companies and the insurance companies to enter this particular field as it is an expression of the desire on the part of the government to see that they take their proper share of the responsibility for homes. Following that up, I take it that the cost of making the original survey of the land, if an insurance company takes on such a project; the cost of preparing the plan, the cost of presenting that plan to the planning board, the cost of sewers, sidewalks, pavements and all those things will come within the word "improve" as used in this resolution and will form part of the principal investment; and I take it that the government is guaranteeing that their financial return will be at least two per cent on that money as well as the other money the company may put up. In addition, is there any check on how much money the insurance companies or loan companies may make on these projects? Are they limited to two per cent, or what is the check on companies coming under this procedure?

Mr. HOWE: The insurance companies are limited to two per cent. Any profit beyond that must be returned to the crown.

Mr. ROSS (St. Paul's): I have a question to ask in regard to these two family units. If a man owns a house which he rents, he is allowed to deduct taxes and carrying charges from his income tax. What is to be the position of a man who lives in one part of a two-family unit which he owns? Supposing the house costs \$6,000. The carrying charges would be \$280 or perhaps a little less; the taxes would be probably \$200, making a total of \$480. What arrangement can or will be made in regard to his income tax? After all, he will be living in part of that property, so what will be his position?

Mr. HOWE: I am sure I do not know. We have a tax expert here, and without an official ruling from the income tax branch I would not want to give an opinion.

Mr. ROSS (St. Paul's): I draw it to the minister's attention because it is important to know just what the situation is to be, whether, if he is living in the house, he will be allowed half of the carrying charges.

Mr. HOWE: There are thousands of those cases, particularly in Quebec. I am sure the

income tax branch has a ruling on the subject. I can only suggest that my hon. friend might ask the Minister of National Revenue.

Mr. ROSS (Souris): The minister said that in the West Kildonan area the veterans preference has been dropped. There is a distinct shortage of veterans houses in that area. What is the value of those houses? I presume they were dropped because they were out of reach of the ordinary veteran.

Mr. HOWE: The storey and a half house is about \$6,100 a house.

Mr. ROSS (Souris): And there are no applications from veterans; is that the reason for dropping it in the area?

Mr. HOWE: Yes.

Mr. BREITHAUPT: In my district Housing Enterprises are doing very fine work. They are building quite a few fine houses, but greatly above the cost which some of the people requiring them can pay.

I have a question I should like to ask the minister, and it is this: With construction cost increases indicated by him, undoubtedly there are many veterans and others who would have been interested in renting homes constructed by Housing Enterprises Limited, or under the integrated housing plan, and who may now wish to turn to homes built under a plan perhaps more within their financial reach. Is Wartime Housing being continued? If so, has any change taken place in the plans of construction whereby basements and furnaces are now being provided for those who require comfortable houses at more reasonable rentals than are possible under other plans?

Mr. HOWE: Wartime Housing is certainly being continued. It has been the policy of Wartime Housing to keep to the low-cost range, for obvious reasons. It is a low-cost rental product. Exceptions have been made where, for special reasons, basements have been installed. But a fairly general answer to the question asked is that the policy remains unchanged, and Wartime Houses are built without basements.

Mr. McMASTER: The minister spoke about the cost being \$4.10 per square foot. I have always heard of the cost of a house being computed on a cubic foot basis. I should like to know what he means by a cost of \$4.10 per square foot. Let me give an example. Let us take a one-storey building, 24 x 50, which is the favourite size in Wartime Housing. Does that mean that this can be built on a basis of \$4.10 for the square footage?