

The down payments were one-third lower. All this was done for the purpose of building single family dwellings a little more cheaply, if possible, than those built under insured loans outside the agency.

I have some information here which may answer my honourable friend's question. The non-agency dwellings on the average at that time cost \$15,146 per unit; houses built by the agency were being built for \$13,192, which is 13 per cent less. The square footage of floor space in the non-agency houses was 1,199 square feet, and the agency houses, which were a little smaller, contained 1,048 square feet. The average cost per square foot for the non-agency houses was \$10.38 per constructed dwelling, and for the agency houses \$10.23.

Hon. Mr. Macdonald: Would the construction in the agency houses be not as good?

Hon. Mr. Aseltine: They contain a smaller square footage of floor space.

Hon. Mr. Macdonald: I understood the cost per square foot was less.

Hon. Mr. Aseltine: I do not know that I can explain the difference in cost, but that is the information I have. The greater saving would of course be in the smaller square footage in the agency houses.

Of the authorized total of \$400 million, approximately \$256 million has been committed under the agency agreement. That was the purpose of building all those homes which I mentioned a few moments ago. Another \$59 million has gone to finance individual homes in smaller centres. These were direct loans made by the Central Mortgage and Housing Corporation in smaller centres, where ordinary lending agencies did not care to make loans. About \$70 million has been used for low rental house building by limited dividend companies. I gave some information a short time ago about these limited dividend companies which built houses for the low income bracket group. The remainder has been used for rental housing projects for workers in primary industries. Somewhere between \$7 million and \$8 million is on hand or being used at the present time.

The Government believes that most of the money for house building should be provided by private lenders—and I agree with it—and it hopes therefore that the added funds will finance the corporation's lending programs for a considerable period. In the past few months the approved lending institutions have been lending more actively than for some time previously. For example, during the first eighteen weeks of this year they made insured loans for 11,775 units, as against 6,054 units in the same period last year. It

is hoped that residual lendings by the corporation may be reduced; that is, that there will be fewer cases of qualified applicants unable to obtain loans from the funds of approved lenders. Unless the present statutory limit of \$400 million is raised by the amount requested the corporation will be obliged to discontinue all its various direct lending activities.

This authorization, if it goes into effect, will make certain funds available for qualified applicants.

Briefly, honourable senators, that is an explanation of the bill. It is a very simple measure, consisting of only a sentence or two, dealing with the raising of the limit of \$400 million to \$750 million.

Hon. Mr. Hawkins: Will the honourable Leader of the Government tell us what sort of arrangements are made with the lending agencies he mentioned? Does the corporation lend the money to these lending agencies, or do the agencies administer the funds on behalf of the corporation?

Hon. Mr. Aseltine: My understanding is that the lending agencies lend their own money, with a guarantee from the Government.

Hon. Mr. Hawkins: The information I have is contained in a clipping from this morning's *Toronto Globe and Mail*, which explains how the money has been used. Most of the \$256 million, it states, has gone into agency loans, and \$59 million in direct loans, as has been explained.

Hon. Mr. Aseltine: I thought the honourable senator was referring to the other loans which were made before this system was adopted.

Hon. Mr. Hawkins: No, I am referring to to what are called agency loans. I was wondering what arrangements were made.

Hon. Mr. Aseltine: My brief does not appear to cover the details of the arrangements made with these companies, but I assume that they pay interest for the money.

Hon. Mr. Macdonald: I understood that Central Mortgage and Housing Corporation paid the banks an agency fee for getting the loans.

Hon. Mr. Aseltine: I will obtain definite information on that point and give it to the house later.

Hon. Mr. Lambert: Honourable senators, may I say something that bears on the relationship that the Central Mortgage and Housing Corporation has to this operation? I assume that the corporation will continue to perform the function it has performed