

Supply—National Revenue

To the second, viz., how many had already made the decision to purchase upon receipt of the official offer, something over 50 per cent of those present so indicated.

This was borne out by the fact that they did.

In view of the size of this meeting, we feel that you will agree with us in regarding these results as quite decisive and as fully warranting your implementation of the proposed offer of sale forthwith.

We take this opportunity to express to you, Mr. Houston and to Mr. Clauson, our sincere appreciation and thanks for your sympathetic attitude and kind co-operation in this matter. It has been a pleasure thus to associate with you.

Now, you will see that the deal which came out of the two recent appraisals is better for these veterans who have remained there than had they taken advantage of this earlier offer.

Mr. Douglas: This does not alter in any way the point I was making. The Fraserview housing project was originally a rental project. In 1954 it was decided to offer these houses for sale. In 1959, the price which was set was not based on the cost to C.M.H.C. for that particular project, it was based on the cost of the entire 12,000 veterans' houses built across Canada. If I interpreted the minister's statement correctly so far as the Fraserview project was concerned, the prices at which these houses were offered in 1959 were \$2,000 higher than the actual cost for that project, less the reduction which the minister is now producing of \$300 or \$500.

Mr. Nicholson: That is correct, with this modification, that they were also \$2,000 lower than the fair market value for similar houses in that area.

Mr. Douglas: I am not interested in the market value of houses in this area. I am interested in the Canadian people making these houses available at what it cost the Canadian government to construct and operate them. The minister is now talking about some other fact. These people are now going to pay more for these houses than they cost C.M.H.C. to build and operate.

Now the minister has defined the position which was taken in 1959. I want to point out that is not the position which the Liberal party took in 1959, or which they took in the election campaigns of 1962 and 1964. My colleague, the hon. member for Vancouver East, read into the record a copy of a letter sent out by the present minister of northern affairs, the member for Vancouver South, in 1963. Here is part of a letter he sent out in 1962 on exactly the same subject. It is

[Mr. Nicholson.]

dated June 15, 1962, and was also sent to the veterans in the Fraserview housing project. I quote:

I think that home ownership is good and that the residents, having paid for depreciation of the houses and services in their rent for years should have the opportunity to buy their homes if they wish to, at cost, taking into account the depreciation they have already paid.

The present Conservative government says that at a price around \$10,800 per home it is making the Fraserview houses available at cost. This is not the case. The actual average cost of house, land and services on C.M.H.C. books is approximately \$6,600. If all houses are sold at an average of \$10,800, C.M.H.C. will make a capital gain of just under \$5 million.

It is imperative, of course, that C.M.H.C. return to those veterans who have already purchased their homes, the capital gain that C.M.H.C. has taken. The method of doing so will not be difficult to devise if fair principles are applied.

It is my intention to see to it that the intention expressed by C.M.H.C. to offer these properties for sale without capital gain is implemented. If this is done the houses can be made available for sale on monthly term payments approximately the same as is now being paid for rent.

Now, Mr. Chairman, surely that is quite plain. When the Liberals were in opposition, when they were seeking re-election, the member in whose constituency this project is located criticized the Conservative government because it was offering these houses for sale at a figure not approximating the cost for the particular project, but at a cost covering the entire 12,000 houses that had been built across Canada. The Liberal candidate, I assume speaking for the Liberal party, said these veterans should be entitled to buy those houses at what those particular houses cost C.M.H.C.

Mr. Nielsen: Who said that?

Mr. Douglas: The hon. member for Vancouver South, (Mr. Laing). He said that these houses stood on the books of C.M.H.C. at \$6,600. He said that if they were charged \$10,800, which was being suggested at that time, C.M.H.C. would be making a capital gain of just under \$5 million.

I object strongly to any party taking one line when it is out of office and an entirely different line when it is in office. If the position the minister is taking now is a sound one, that the price charged for these houses should have nothing to do with the actual costs of this project but should be based on the cost of building 12,000 houses across Canada, then why did the Liberal party criticize this concept when it was introduced by the previous government, and why did the present minister of northern affairs, when he was running for office in this constituency, pledge