Mr. HOWE: Surely this is not in order, Mr. Chairman. The government does not sell the property to an owner. It is sold by one owner to another owner. Under this section all the crown does is insure the rentals. I wish we could have a ruling on that.

The DEPUTY CHAIRMAN: We have an amendment moved by the hon. member for Bow River that section 8A as proposed to be enacted in clause 2 be amended by inserting immediately after subsection 4 thereof the following as subsection 5:

(5) The terms of a contract entered into between Wartime Housing Corporation or Central Housing and Mortgage Corporation, as the case may be, and a purchaser, whether a veteran or a civilian, shall not deprive the said purchaser of his right to appeal to any court of competent jurisdiction, in case he is charged with any breach of contract, and in any case where such court adjudges the purchaser to be guilty, he may take action to recover his equity in the property and that present subsections (5), (6) and (7) of the said section be renumbered as subsections (6), (7) and (8).

In regard to this amendment, I think the point raised by the minister is well taken. In section 2 of this bill, section 8A of the act, the hon. member will notice this provision:

Subject to this section, the corporation may enter into contracts with builders to guarantee, in consideration of such payments as the governor in council may prescribe, an annual return of rentals from rental housing projects after completion thereof of an amount to be determined by the corporation, for a total period not exceeding thirty years.

Then:

The corporation may give to a builder an undertaking that the corporation will enter into a contract with the builder under subsection one if the builder builds a rental housing project in accordance with this section.

The minister is quite correct, and I think this amendment is strictly out of order, so I must rule accordingly.

Mr. NICHOLSON: Now that the officials are before the minister, I wonder if he could give the committee some supplementary information. The hon. member for Eglinton asked about the amount of housing we might expect to be provided after this amendment is passed. A year ago we adopted amendments which provided guarantees for land assembly, and the minister said that quite a considerable amount was guaranteed. That is true; but according to the last annual report of Central Mortgage and Housing Corporation, only four projects have been approved, and we are committed to an expenditure of $5,414 per acre to provide 894 lots, or $1,271 per lot. That is not an impressive report. Four projects in the whole of Canada since the amendments were passed last year, making provision for 894 lots, does not help a great deal. The minister should give some indication of how many units might be expected to be built in 1948 and 1949 if this amendment is adopted.

Then I should like to support the argument of the hon. member for Eglinton that the act should be more specific. While I have great confidence in the minister and his staff, I do not like these blank cheques. When we are passing legislation I think we should state the limitations. We should know the extent to which the treasury of Canada is underwriting this type of rental insurance. If two per cent is all we are guaranteeing, let us say so. If the benefits are to be confined to units costing $7,000 or less, let us say so. The legislation should set out more definitely just what is in the mind of the minister and his administration.

The other evening I took some exception to this sort of guarantee. I was quoting the rents being paid in different parts of Canada by those living in Housing Enterprises units. The minister and I had some difference of opinion concerning the rentals being paid. I was quoting those rentals, and the minister interrupted to leave the impression that all those units are rented with heat, water and other services included. My information is that only 949 of these units, or 28·63 per cent, are rented on that basis. It is difficult for us to understand how you can build, as you did in London, for example, 186 units at an average cost of $8,467 per unit, some of them three-bedroom bungalows and some three-bedroom, story and a half houses, to rent at $48 and $50 a month. I do not know of many private builders who are building houses at that cost and making them available at those rents. If it is possible to build $8,400 houses and rent them for such amounts; if in Toronto it is possible to build houses costing $10,527 and rent them at $55, $65 and up to $77, then I think the minister might explain what type of houses are to be built that will rent at $80 a month furnished. We should know just what position the people will be in.

The other evening I tried to explain that we are guaranteeing that those who construct eight or more units will be able to take the next three years as a base, and they will be assured of eighty-five per cent of the rentals they can collect during those three years. Certainly, if the rents in Ottawa, Winnipeg and Toronto are any criterion it is not very difficult to get $80 a month for new houses. If the government can build houses for $8,700 and rent them unfurnished at $44 and $48 without services, a great deal of money must be made by those who are charging $80, $90, $100 and