

*Supply—National Revenue*

**Mr. Nicholson:** All I am suggesting is that the figures I am giving may be as of a different date and they may also represent a comparison with a different period. I am comparing the first nine months of 1964 with the corresponding nine months of 1963, and the figures show that starts actually are up by 10.2 per cent.

**Mr. Nielsen:** I think the figures I quoted from the bulletin were for the same period. I do not have it before me now because I gave it to *Hansard*, but my recollection is that the figure in the bulletin was as of the same date, September 29, 1964. If d.b.s. is wrong may I suggest there is an obvious lack of accurate communication between C.M.H.C. and d.b.s.

**Mr. Nicholson:** That may be but this is the figure and I am prepared to stand behind it. It is up 10.2 per cent for the first nine months. This means that if the winter house-building program meets with the same measure of success it did last year, and this is our expectation based on the applications for loans, housing starts in 1964 will be upward of 155,000 units, or the second highest year in Canada's history.

**Mr. Nielsen:** Which was the highest?

**Mr. Nicholson:** I think it was 1958. Prior to this year the second highest was 1963 which now takes third place. On the basis not only of my visit to Halifax and St. John's and the meetings that took place there, but also of my visit to Saskatoon where in company with the minister of the former government a federal-provincial housing project was opened and discussions were had at that time, as well as of visits that I have made to housing projects in Manitoba and Alberta and more recently to my native province of New Brunswick, I would say that a great deal of interest has been stimulated in housing and urban renewal. The scope of the projects, for instance, in the city of Hamilton, in the city of Windsor and in the city of Saint John is beyond belief. The same applies to cities in Manitoba and Saskatchewan.

Central Mortgage and Housing Corporation is in the midst of one of its busiest and, I think, most challenging years. There is a lot of educational work to be done, but I believe sincerely that Central Mortgage and Housing Corporation is an efficient and dedicated organization and I invite the committee's early approval of their very modest estimate.

[Mr. Nielsen.]

**Mr. Chatterton:** With regard to the column, "new rent", in the table the minister has given us, I think the minister said in his remarks that one of the factors considered was amortization of the outstanding capital, and the minister referred to a rate of 2½ per cent. Is that correct?

**Mr. Nicholson:** Two and a half per cent. It was agreed in the initial stages when these houses were being built for veterans that the investment would be recouped over a period of 50 years at the rate of 2½ per cent per year. This policy has been carried through, but when some years later a program of sale was embarked upon factors involving speculation and other things came into the picture and they were taken into consideration in determining market values in the respective areas. If I may leave rents aside for a moment, you will note that so far as the sale price is concerned in no case is the adjusted price higher than the original price. In some cases they are slightly higher than cost but they are not higher than the original price.

**Mr. Chatterton:** That is my next question. The adjusted sales price is less than the original—

**Mr. Nicholson:** No, it is not higher.

**Mr. Chatterton:** It is less, I say. What factors were used in making that adjustment? Was the portion of the rent allocated by C.M.H.C. to depreciation considered?

**Mr. Nicholson:** My information is that it was only one of the factors.

**Mr. Chatterton:** Would that be the major factor in considering adjustment?

**Mr. Nicholson:** I think the major factor was that nobody would have to pay more than the house was worth and the object was to try not to disturb either prices or rentals in the particular areas involved. It is not just a case of being fair to a limited number of veterans, for whom I am sure every government would want to do the best it could. The fact is there are other people to whom the government has to be fair, the people who are paying the taxes that make these projects possible.

**Mr. Douglas:** Mr. Chairman, I should like to join with the hon. member for Vancouver East in protesting very strongly the treatment which has been meted out to veterans in the Fraserview housing project. I must say that my concern about this matter has not been