

this conditional grant of \$1,400 is a rebate of some twenty per cent upon the highly priced houses.

Mr. GREEN: But it was always the intention that there would be a rebate, was it not?

Mr. MACKENZIE: It was not the intention that there would be any rebate beyond the \$1,400.

Mr. GREEN: That is under the act.

Mr. MACKENZIE: That was a conditional grant to enable the settler to have a better opportunity to settle in these new homes. It enabled him after ten years to have an equity in the house, and then over a period of twenty-five years at three and a half per cent at payments running from \$16 or \$17 to \$28 a month, he can own the house.

That is the actual economic situation. True, there have been cases where costs have been high to the director, and that was in many instances because of the cost of such services outside the actual house itself as roads, sewerage and drainage. These amenities would be charged to the total cost to the director. But as against that there was the conditional allowance of \$1,400.

Mr. GREEN: Notwithstanding that, the original intention was that the total cost would not be over \$6,000 on any residence; is that not true?

Mr. MACKENZIE: The intention was at the start that the cost would not go over \$6,000. In a general way it was expected to range from \$4,800 to \$6,000, but we encountered rising values and rising costs. It is the same in private construction today. I invite anyone in the house to try to build the same house today, and to compare the cost of that house with the cost in 1939.

I asked Mr. Mansur of Central Mortgage and Housing Corporation—well, I did not ask him, but one of my friends did—what was the total increase in cost as between 1939 and now. I think his figure ran up to 73 per cent.

Mr. ROSS (Souris): It was 130 per cent in the one I mentioned.

Mr. MACKENZIE: My hon. friend used a higher figure.

Mr. MURPHY: Does not the veteran who accepts the \$1,400 waive gratuities which he would otherwise get?

Mr. MACKENZIE: No. That is a good point; I am glad my hon. friend asked that question. I think what I am going to say now

will make my hon. friend realize—he probably does already—the real service that is rendered by the state in these cases. For instance, take the service men who built or bought within urban areas, and there are 40,000 of them. What they got was their reestablishment credit—and this averages \$445—and the consequent obligations throughout the years. That is what they got as against the amount given by the state in these 2,600 cases. In this case there is a down payment of \$600 and additional allowances up to \$1,400. No matter how high the cost may be, the additional allowance is not interfered with.

Mr. MURPHY: When a man accepts the \$1,400 referred to, does he not waive some credits?

Mr. SPEAKER: I would remind hon. members that we are not in committee, and it is against the rules to ask questions of the hon. member who has the floor, without first asking his permission.

Mr. MURPHY: I wonder if I could ask the minister this question, through you, sir, to clear up the point. If the veteran accepts the \$1,400 does he not waive other credits or gratuities that he would otherwise be entitled to?

Mr. TUCKER: It is in the Veterans Land Act.

Mr. MACKENZIE: Grants under the land act.

Mr. MURPHY: That is what I mean.

Mr. MACKENZIE: Certainly. Let me give the rest of the picture. The Veterans Land Act administration has already established some 22,000 veterans. More than 11,000 have been settled in full time farming; approximately 9,500 have been established on small holdings, and these subdivision projects which I have been discussing represent only 2,600 of those 9,500 holdings. The financial assistance under the whole act amounts to more than \$111 million. The cost of the 2,663 subdivisions will be in the neighbourhood of \$20 million. I mention these facts because I think it is only fair to the director and his staff that the difficulties which have been encountered in house construction should be viewed in their proper perspective in relation to the magnitude of the other operations which have been carried on simultaneously and successfully.

I do not propose at this time to try the patience of the house with a complete description, because I shall probably have further information from the committee of three gentlemen which is inspecting these projects.