

about 10,000 starts.

In order to encourage construction for designated defence workers, it was recommended that loans in such cases be made to a maximum of 90 percent of an agreed maximum selling price; the 90 percent loan to be available only, however, when the agreed maximum sale price was not exceeded. The Department of Defence Production was prepared to designate areas where such defence housing would be encouraged and for immediate designation would probably name Malton, Ajax, Renfrew, Cartierville and Sorel. It was estimated that this plan would result in an additional 1,500 houses for the next year.

To give some added encouragement to housing generally, it was recommended that Central Mortgage and Housing Corporation be requested to recognize, in part at least, increased costs and prices and to raise their lending values from the present basis which was related to costs as of January 1st, 1950. It was estimated that this measure would encourage additional starts to the extent of approximately 7,500 units.

An explanatory memorandum was circulated.

(Minister's memorandum, Oct. 3, 1951
with attached memorandum, President of the Central
Mortgage and Housing Corporation - Cab. Doc. 260-51)

59. The Cabinet, after discussion, approved the recommendations of the Minister of Resources and Development as to assistance for increased housing construction and agreed that measures be taken accordingly:

(a) to provide inducement for prospective home owners to build and for builders to construct houses for sale or for rent for designated defence workers; and,

(b) to raise the level of financial assistance for housing construction generally through the recognition of increased costs and prices in setting the basis for mortgage loans.

001552

Privy Council Office
Bureau du Conseil privé

RG 2, A5a,
Vol. 2648

National Archives of Canada
Archives nationales du Canada