

it is in his neighbourhood, and he knows of the high reputation of that firm. The hon. member has listed before the house a whole series of defects in the houses built in his constituency. As a result of inspection which has just been completed, it is recognized that there have been many instances of inexperienced workmanship. Just take your minds back to the time, and you will recall what conditions were in this dominion—and let it be understood that I am not blaming labour in any way for that. But there was a scarcity of materials—indeed a grave scarcity of materials—and in many instances a scarcity of experienced workmanship.

We were unfortunate enough in three projects, through no fault of our own, to have used plaster made from a cargo of lime which was subsequently condemned, and which was used by others as well as by ourselves. Because of a ruling prohibiting the use of certain materials for flooring, certain houses were built with quite unsuitable flooring material. The result was an imperfect job. We propose to replace the soft wood with hard wood.

Disturbances of the earth due to multiple excavations have resulted in drainage problems which probably should have been foreseen and more thoroughly provided for. These facts exist; but I am glad to be able to assure the house that all of these conditions are remediable, and that, with very few exceptions, at relatively small cost.

Furthermore I have consulted with my colleagues and I am able to assure the house that these defects will be made and are at the present time being made good. Complaints and protests which have reached the public press are inevitable in connection with a project which has been carried out under government auspices. They reflect the pride which young couples take in the construction of their first homes.

I am free to confess that assurances of correcting all defects should have been more explicitly given by those who were in close contact with local developments. This work of repairing defects is of course under way and will be accelerated under the best available direction. Let me make it quite clear that the defects, with a comparatively small number of exceptions, are the inevitable result of a shortage of skilled workmen and properly seasoned materials. They are not defects which when repaired will in any way affect the true value of the house.

Mr. LOCKHART: Were not all those jobs throughout the country in charge of selected superintendents who were supposed to know this work?

[Mr. Mackenzie.]

Mr. MACKENZIE: Yes; but my point was this, that the field was limited, and these superintendents were not selected by our department. The inspection staff all the way down the line was as a result of appointments under the civil service commission.

When these defects have been made good—and they will be made good—I have no hesitation in saying that veterans who buy these homes will have received for their investments a type of home which they cannot duplicate under present conditions at comparable costs.

The down payments are limited to \$600. There is a conditional grant—and this is what my hon. friends seem to forget, when they refer to a price of \$7,300 to the veterans, as was mentioned by the hon. member who spoke last night. There is no such thing as a cost to the householder of \$7,300. I will give the actual costs in a minute or two. As I said, the down payments are limited to \$600. Then there is a conditional grant which, in all but a few cases in respect of houses built at exceptionally low costs, reaches the sum of \$1,400. That is the conditional grant. Monthly payments which are payable by these householders range from \$16 or \$17 a month to \$28 a month.

Provided we assume that these houses are to be placed in first-class condition, where can they get accommodation today in Canada for a monthly rental which ranges from \$16 or \$17 to \$28 per month? I say you cannot rent comparable accommodation at those prices at the present time.

Mr. GREEN: Was it not the intention that the total cost of these houses should not be over \$6,000?

Mr. MACKENZIE: It was the intention at the start that the cost of the houses would be far less than that.

Mr. GREEN: I said not over that.

Mr. MACKENZIE: Quite correct. But there was never any guarantee given. I believe it was the leader of the opposition (Mr. Bracken) who pointed out what had happened, when he was quoting from some propaganda put out some years ago; the monthly rental value was given as \$13.82, if my memory serves me correctly, on a house estimated to cost something over \$3,000 under the National Housing Act.

As my hon. friend knows, the first house we built under this project, near Vancouver, cost about \$4,000. In every case now we have done two or three things which I shall mention in a moment or two. In the first place