

Senator REID: On page 5 you deal with reduction in the number of staff. It could be inferred, and I think you did state, that many who were formerly employed by you went back into the civil service. I think you said that.

Mr. BATES: In our regular turnover.

Senator REID: I was wondering if there were many architects or if any architects went into the Civil Service, because there have been so many blunders in a number of buildings lately that I have wondered where they are hiding.

Mr. BATES: We have lost some of our architects.

Senator CRERAR: Would you say that the number of houses built in 1957 was sufficient to meet normal requirements?

Mr. BATES: Yes, so long as you are not asking me to make some sociological decision as to the position of people who are living in the slums of Montreal or who are living in the slums of Toronto. But certainly, for the net increase in family formation, we had enough houses last year. The increase in family formations last year was just over 100,000, and we started about 122,000 houses, so we were a little better than the formation last year.

Senator REID: That leads to another question. In the last 10 months, according to your statements, the national housing corporation has been supplied with \$650 million. Now, did you expend all that? Will you run over the normal requirements? In other words, is \$650 million based on the actual need for housing, or is it partially a program of unemployment relief?

Mr. BATES: Well, the first \$300 million had run out by five or six weeks ago. Now it is not the intention that the present \$350 million be put out at that speed. In other words, it is anticipated by the Government that this \$350 million will keep us going for a year or two; and that is why we have stopped the agency arrangement at this moment of time and we are standing merely on residual loans to take care of those who cannot be picked up elsewhere. At the moment we are leaving it to the banks and other companies to carry the program. It may be that by next September that housing may be petering off in a way the Government does not like. If there has been a good demand for housing, if there are no unsold houses in December, it would probably be a wise policy for them to produce some more houses next winter. But it is my opinion, Senator, that by the end of the year, if we got into it again in September, we might have spent \$30 million or something of that kind. In other words, it is not contemplated that the total \$650 million will be pumped out quickly.

Senator CRERAR: I quite understand that and I am not criticizing it but I think it is important to find out the reason why you go ahead and build houses if you see by next September that normal requirements are reasonably well met. It may be said that there is no need for more houses now but as unemployment grows you will be under pressure from construction men and through public opinion to go and build more houses to provide work for unemployed people. Do you think that might be a reasonable expectation?

Mr. BATES: I would think the pressure would be there. If there was substantial unemployment the pressure would be there. As advisers to the Government we have to draw to their attention the fact that if you do have—I don't expect there will be—100 unsold houses in Winnipeg, you would be very unwise to turn on the tap and produce another 100 unsold houses. We would have to draw this to their attention.