

## REPORT TO THE HOUSE

TUESDAY, July 15, 1947.

The Standing Committee on Public Accounts begs leave to present the following as a

### SEVENTH REPORT

Arising out of consideration of the Public Accounts for the fiscal year ended March 31, 1946, your Committee undertook an investigation of the building project carried on in the Township of Sarnia, County of Lambton, Ontario, by The Veterans' Land Act Administration. Your Committee held meetings on July 4, 9, 10 and 11 and sat for six hours on each of these days and evidence was given by Mr. Gordon Murchison, Director, Soldier Settlement and Veterans' Land Act, Mr. A. D. Wymbs, Acting Financial Superintendent, and Mr. W. G. Wurtle, Chief Treasury Officer; and by Mr. William T. Cleave, one of the veterans who occupy the houses built at Sarnia. It sat also on July 14 to study the terms of its report.

Although its hearings mainly centered on the Sarnia project, your Committee gave attention to housing facilities provided for veterans throughout Canada.

For a better understanding of the problem facing your Committee, it is to be noted that the Sarnia project is one of 114 similar projects undertaken by The Veterans' Land Act Administration throughout Canada, as a result of which 2,381 houses were provided for veterans.

Canadian veterans may use either of two plans to purchase houses. They may use their reestablishment credit to help pay for a house, whether already built, whether contracted for privately or whether acquired through the facilities of the National Housing Act, or they may choose to buy a house through The Veterans' Land Act, whether built privately or as part of a departmental project. Under the provisions of the Act, a veteran who waives his reestablishment credit may use a special maximum grant of \$1,400.00 to be applied as part payment of a small holding, intended to be sold to him at cost or at a readjusted price considered by the Department as the real value of the property. After assessment of the value is arrived at, the grant of \$1,400.00 is deducted from it, the veteran is asked to contribute a cash payment of 10 per cent up to \$600.00, after which a monthly payment is made by him over a period of 25 years to cover the balance of the price, with interest at the rate of three and one half per cent.

The Veterans' Land Act Administration has spent \$15,769,747.00 for the construction of 2,381 houses, exclusive of the cost of land and project development, such as water mains, sewers, etc. The average construction cost per unit of about 15,000 cubic feet is, therefore, \$6,623.13 or about 44 cents per cubic foot.

Your Committee's investigation has disclosed that the eight houses built on The Veterans' Land Act project at Sarnia have cost substantially more than the overall average for Canada and that the construction has been unsatisfactory.

From the admission of the Director, The Veterans' Land Act, Mr. Gordon Murchison, it is apparent that the defects in construction of the houses at the time they were sold to veterans resulted from negligence on the part of officials working under his direction, from faulty workmanship, from the use of unsatisfactory materials and, possibly, also from faulty engineering.

Your Committee is of the opinion that the higher cost of these houses, 58 cents per cubic foot, as compared with the Canadian average could not be