

Supply—National Revenue

department consider each individual case, or if anyone wanted to take them up with me individually I would be pleased to do so.

Mr. Douglas: Could I ask the minister a question. Could he tell the committee on what basis the appraisers set these rents? Was it on the basis of actual cost or a rent which would retire the investment which Central Mortgage and Housing Corporation has made, plus current expenses, or was it a rent which was based on current rents in the area?

Mr. Nicholson: The rents in all cases are lower than rents in the area for houses of similar value. The combination of circumstances to which I referred—the cost of the house, its condition and other factors—were all taken into consideration, as well as general rents in the area.

Mr. Douglas: The minister is talking about the condition of the houses and I assume is talking about the sale price; but in determining these rents was the determination based solely on an economic rental to cover the investment of C.M.H.C. or was any other factor taken into consideration?

Mr. Nicholson: The rents were just enough to carry these houses, but not to make any profit out of the transaction. They are amortized to the amount of the balance owing so as to pay current taxes and maintenance and operating expenses.

Mr. Chatterton: Could the minister tell me at what rate was the amortization?

Mr. Nicholson: The amortization was on the basis of 2½ per cent interest over a period of 50 years, credit being given for the amount which had accumulated up to that date.

Mr. Winch: Might I ask whether in this compilation the amount which had been cleared off through depreciation over the years was also taken into consideration?

Mr. Nicholson: Might I suggest, Mr. Chairman, that I be allowed to finish my statement. I have had prepared a table which will help answer these questions, and then if hon. members have any further questions I will do my best today to answer them.

As of the close of business on September 30 there were some 73 people who had not agreed to enter into new leases; two of the people who said they were going to did not in fact do so. Then in the two weeks which followed the notices of eviction which were sent out, certain other people indicated that

[Mr. Nicholson.]

they wanted to stay on in the houses. This reduced the total of 73 to a total of 54 by a date in early October.

Yesterday I received from 18 other people—that is in addition to the 52 plus the two—altogether 54—signed letters addressed to me which obviously had been typed by the same machine, indicating an organized drive. These letters asked for a public hearing. All but 54 of these 600 odd tenants are paying the new rents and have paid them for the month of October. So that while over 500 people out of the 601 have entered into some new leasing arrangement, another dozen or more have vacated voluntarily and I think about 40 people have bought houses, you have at the outside, taking the 52 and 18, 70 people who are still complaining. These people have had the benefit of the lower rentals for more than a year. The corporation has not collected rents so as to carry this project for over a year. The corporation's appraisers recommended that these rent increases should take effect last summer. Further delay will be unfair to the people who have bought houses, and the 500 odd people who have entered into the new leases and are paying them without complaint. I am not saying that there are not people who do not complain. Of course, no one likes to have his rent raised and any one of us would complain of that. But many veterans have stated publicly that they do not want to be subsidized in these houses and are willing to pay, which is demonstrated by the fact that over 500 of them are paying the higher rents.

To explain the current rents and also the current selling prices I have had a tabulation prepared showing the individual type of houses and listing the original selling price, that is, the price at which these houses were offered in 1959 and which was almost unanimously accepted by the tenants. On the same sheet is shown the adjusted price as a result of the corporation's appraisal in 1963 and the independent appraisal in 1964. The rent is also shown; that is, the former rent, the new rent and the estimated fair market rent for each type of house. Rather than read this, Mr. Chairman—it would be difficult to follow if I just gave the isolated figures—I should like to table a copy of this tabulation and have it made part of *Hansard*.

Mr. Nielsen: Might I suggest, Mr. Chairman, if the committee is agreeable, that the tabulation referred to by the minister be printed in *Hansard* at this stage of the minister's remarks.