

The above is a rather formidable list of deficiencies but they do not occur in every case by any means. They are defects which can all be remedied and should not be regarded as defects which seriously affect the structural soundness of these homes.

These houses are of good design and contain the maximum of comfortable living space within their overall dimensions, and it was reassuring to the Director to note the pride that is being taken by veterans and their wives who have heretofore been forced to pay exorbitant rents for second or third rate living space or indeed having been forced to live as dispersed family units. Criticisms or complaints by these people do not derive from a dislike of their new homes but from an intense desire to keep them and to have minor faults corrected. With very few exceptions the attitude of these people, the taste displayed in their choice of their home furnishings and the high standards of comfort could leave no other impression.

To sum up, so far as construction deficiencies are concerned, there are very few which cannot be easily and quickly corrected by competent workmen.

With regard to sale prices, it was frankly conceded by responsible people everywhere that homes of this class and the land and services which came with them are not available elsewhere at the sale prices and terms quoted. The sale prices which have been quoted to these veterans reflect the adjustments in costs made pursuant to P.C. 1278 which, as of January 10th, amounted to a total of \$677,429.63. They also reflect a further conditional subsidy as provided by Section 9 of the Veterans' Land Act which, in the case of a holding which cost the Director \$6,000 or more, amounts to \$1,400. The annual interest rate is $3\frac{1}{2}$ per cent and the end result of these things is a monthly purchase rate varying from as low as \$16.50 per month to a high of approximately \$28.00, or an average of approximately \$22.00. In addition to this the annual rate of municipal taxation is in the average case very substantially less than is levied against comparable housing within urban limits.

The inescapable conclusion is, in my view, that the veterans occupying and purchasing homes provided under the Veterans' Land Act, admitting whatever construction deficiencies there may be, are in an infinitely better position than those who must seek to solve their home requirements under other auspices. But there are two cardinal matters which should be observed:—

First—to satisfy within reason the veterans who are in occupation of these homes by correcting construction deficiencies. Sales contracts extend over a long term and it is essential that harmony be established between these veteran purchasers and the Administration at the commencement of their contracts.

Second—it is in the public interest that capital investment in these homes by the State be protected by prompt correction of construction deficiencies.

4. With regard to the action which has been taken to correct construction deficiencies, instructions were issued by the Director on the spot to his administrative and construction staff to proceed quickly, efficiently and generously to correct all minor faults and the very few structural faults which exist. The veterans individually or collectively were given the assurance that this would be done and that the costs involved would not result in an increase in the sale price which had been quoted to them.

Where it can be done the contractor who built these homes or the sub-contractors employed by the primary contractor will be expected to correct these faults, but in the majority of cases it appears to be a matter for direct action by the Administration. Having regard to the continuing scarcity of skilled workmen, present-day wage rates and the rising costs of materials, it is difficult to formulate an accurate estimate of the cost involved. In many cases the cost should be more or less nominal; in many the cost will be modest; and in others it may be fairly substantial.