

APPENDIX "E"

P.C. 1811

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 16 May, 1947.

The Committee of the Privy Council have had before them a report dated 5th May, 1947 from the Minister of Veterans Affairs, stating that Order in Council of the 2nd April, 1946 (P.C. 1278), dealt with the cost of homes being erected on small holdings pursuant to the provisions of the Veterans' Land Act, 1942, and certain cost-plus fixed fee contracts, and provided:

- A. That the overall costs of the construction program referred to above be reduced by a sum not in excess of One Million Dollars;
- B. That a Committee comprising W. S. Woods, Deputy Minister of Veterans Affairs, and G. Murchison, Director, The Veterans' Land Act, be authorized to approve adjustments in costs to a basis which in their judgment represents reasonable sale value under the provisions of The Veterans' Land Act, such adjustments not to exceed a total of One Million Dollars; and
- C. That the Director, The Veterans' Land Act be authorized to arrange sales to veterans of any small holdings referred to herein, the adjusted cost of which is in excess of \$6,000.00 on the basis of a minimum down payment of \$600.00, but providing that in such cases the conditional grant shall not exceed the limits provided by Section 9, The Veterans' Land Act.

The Director, The Veterans' Land Act, has now reported to the Minister of Veterans Affairs,—

1. That the sum of One Million Dollars authorized as shown has been found inadequate for the purposes required. Since the passing of the said Order constantly increasing difficulty has been encountered in the completion of these small holding projects. These difficulties have resulted in substantially increased costs of construction and in deficiencies or defects in construction which must be remedied. The Director reports that the difficulties referred to centre on the following principal factors;
 - (a) The demand for building materials resulting from the greatly expanded program of industrial, commercial and housing construction throughout Canada, commencing in the spring months of 1946 and continuing to the present time. The difficulty confronting the Director in obtaining adequate and regular supplies of materials was accentuated by various suppliers failing to honour, or to honour promptly, the priorities issued under Federal authority in favour of Veterans' Land Act requirements;
 - (b) Delays in deliveries of materials due to labour troubles in Canada and the United States. These affected deliveries of steel products electrical goods, glass and lumber;
 - (c) Authorized increases during 1946 in labour rates and in the prices of building materials designated as millwork;