

of Toronto. As the minister knows, we have too many people living in the city and we need housing accommodation. Rather than allow many of these old mansions to be used only as boarding houses they should be included in this legislation. Many of them would provide a fine nucleus for a good apartment house. That has happened in many cases already. It seems to me that it would be an excellent thing to use houses in certain sections of the city when they are not being used at the present time in an economical way. Is there any reason for not doing so?

Mr. HOWE: It would be too uncertain. In the case of a new building we know what the cost will be and all about it; we know what its probable life will be. The government does not want any more experience in converting old houses.

Mr. ROSS (St. Paul's): I understand that this is now done to a certain extent through the lending institutions. On the upper part of Jarvis street in Toronto there are very large houses which I suppose could not be sold today for anything like 20 per cent of their original value, but they are centrally located and if they could be converted into apartment houses they would not add to the transportation problems of the city. There are similar houses on upper Sherbourne street. There is an old house there which has been converted into quite a large apartment house.

Mr. HOWE: The mortgage company does not want the business.

Mr. ROSS (St. Paul's): Why not provide that the mortgage company can do the business if it wants to. Is there anything in the bill to say they cannot do it?

Mr. HOWE: Yes.

Mr. ROSS (St. Paul's): It has to be a new house from the bottom up?

Mr. HOWE: Yes.

Mr. ROSS (St. Paul's): I think it is a short-sighted policy on the part of the government. We are talking of slum clearance—

Mr. HOWE: This has nothing to do with slum clearance. We are trying to encourage new construction, and we have no intention of going beyond that.

Mr. ROSS (St. Paul's): What you want is accommodation for people, and you want that accommodation at as low a cost as possible. I am certain that many of these old mansions could be converted for a good deal less money than if you start from scratch and build a new house. There are some large and very fine

houses that could be converted to provide accommodation right in the centre of the city.

Mr. HOWE: We are not stopping it.

Mr. ROSS (St. Paul's): There is no place to build an apartment house in the city of Toronto unless you tear down existing accommodation. What will happen under the minister's policy is that houses will be built on the outskirts of the city, thus adding to the transportation problem. With a little help, a good many of these old mansions could be converted.

Mr. HOWE: The government has had experience in converting old houses into modern apartments and our experience in that direction does not encourage us to go any further.

Mr. ROSS (St. Paul's): Have you had any losses in that connection?

Mr. HOWE: Yes, lots of them.

Mr. ROSS (St. Paul's): Under the home improvement plan?

Mr. HOWE: Yes.

Mr. ROSS (St. Paul's): Did we lose money on that?

Mr. HOWE: Yes.

Mr. ROSS (St. Paul's): How much?

Mr. HOWE: We spent about \$5,000,000 and we shall be fortunate if we recover about \$3,000,000.

Mr. ROSS (St. Paul's): That is the home improvement plan, which is not in the same category as this.

Mr. HOWE: The home conversion plan.

Mr. FLEMING: The minister did not answer my question in regard to the provision in line 12 on page 2 of the bill, why the rate itself could not be stipulated in the section. If it is the intention of the government that the rate shall be two per cent, why should that not be stipulated right in the section itself instead of being left to be determined by the corporation?

Mr. HOWE: It seems to me a matter that properly comes under the regulations.

Mr. JOHNSTON: I said before the dinner recess that I wanted to say a few words in committee on this section. Section 8A has to do with contracts entered into with builders, and subsection 4 reads:

The terms of a contract entered into under subsection one of this section shall provide:

(a) that the builder or subsequent owner will provide efficient management of the rental housing project.