

required and there had been established a decentralized national organization. In the interests of economy and efficiency an arrangement was made whereby Central Mortgage managed the affairs of Wartime Housing Limited on an agency basis. By amendments to the National Housing Act in 1948 the assets and liabilities of Wartime Housing Limited were assumed by Central Mortgage and the two organizations were merged. Central Mortgage continued the construction of rental units for veterans until this activity was terminated in 1949.

6. In the fall of 1945, prior to the formation of the corporation, and as a result of amendments to the National Housing Act in 1945, an arrangement was entered into with all life insurance companies operating in Canada under which they undertook construction in most of our cities to provide rental units for veterans. The financial arrangement was that a loan of 90 per cent was made to Housing Enterprises Limited, the holding company for this mutual effort by the life insurance companies, and in addition the government guaranteed an annual return of 2½ per cent to the life insurance companies upon their 10 per cent equity. At the request of the life insurance companies the government arranged that the corporation would accept the properties constructed and under construction in complete satisfaction of the indebtedness. Central Mortgage took over the operation from Housing Enterprises Limited and our construction division completed the rental units. Our real estate division took over the management of these units and for all practical purposes they became part of the stock of rental housing units available to veterans.
7. Up to 1948 the Department of National Defence was engaged upon the construction of both temporary and permanent married quarters for armed service personnel. In 1949 an arrangement was made by which Central Mortgage undertook residential construction for the Department of National Defence.
8. In 1948 land and buildings at Ajax, Ontario, which had been operated as a munition plant during the war, were transferred from War Assets Corporation to Central Mortgage. Ajax had become a community and as such could not be disposed of as other surplus assets.
9. In 1949 an arrangement was made under which the services of Central Mortgage were made available to the National Research Council for construction at Deep River townsite.
10. In October, 1950, it became apparent that the volume of defence construction at naval establishments, army camps and air stations required supervision and inspection on a national basis. The Minister of Defence Production established Defence Construction Limited to take over from Canadian Commercial Corporation the new military construction for the Department of National Defence. Because Central Mortgage already had a construction division engaged upon supervision and inspection on a national basis, it was felt that the enlargement of the already existing organization was both more practical and more economical than for Defence Construction Limited to establish a field force to duplicate such services. As a result an arrangement was entered into whereby Central Mortgage manages certain of the affairs of Defence Construction Limited, including the calling of tenders and the super-