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This situation would not be affected by proclaiming Part IV of the National Housing Act in force for it simply helped in the improvement and extension of existing homes.

(g) It was suggested that the partial proclamation proposed by the Minister of Public Works was perhaps the most acceptable compromise. However, as the Minister wished to review and amend this part of the legislation, it might be studied now with a view to introducing an appropriate amending bill during the course of the coming session and proclaiming the home improvement provisions of the Act some time in the late summer or fall of 1955. The banks would then have had the benefit of a year's experience in the administration of mortgage lending on new housing before they entered the home improvement loan field.

18. The Cabinet,-

(a) agreed that a proclamation be issued bringing into force, as of January 1st, 1955, Part IV of the National Housing Act 1954 in respect only of loans to veterans having contracts for the purchase of land with the Director, Veterans Land Act; and,

(b) deferred decision on the general and unqualified proclamation in force of Part IV of that Act pending a review and report by the Minister of Public Works on amendments that might be made to that part of the legislation before such a proclamation were issued.

Transport; winter passenger and freight service between Ile-aux-Grues and Montmagny, P.Q.

19. The Minister of Transport reported that for several years water transportation of passengers, mail and freight between Ile-aux-Grues, with a population of 530, and Montmagny, P.Q., a distance of six miles, had been maintained throughout the year. The service was carried on in two seasonal operations by separate contractors - one for the summer and another for the winter. The summer service, from May 1st to November 15th was operated six days a week by a motor vessel and had for the past eight years received an annual subsidy of \$2,500. The winter service, from November 16th to April 30th, was operated three times a week by an ice canoe which travelled over ice and through water and had not been subsidized.

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