

forth below. The lesser requirements of those without families and of old people would be relatively less.

	Cost per Living Unit
Cauchon Evidence (two storey type, in groups) ..	\$ 2,500 00
Bruce Report (Toronto)	2,700 00
Nobbs Report (Montreal, including slum clearance) .	3,500 00

It has also been adduced in evidence that the normal average of monthly rent possible of payment by low wage earners (\$500 to \$1,250 yearly) is \$10 to \$15 per month. The following statement is based on an average of \$12.50 per month on an all-inclusive capital expenditure of \$2,700 as submitted by the Bruce Report and confirmed by the National Construction Council.

Taxes (land and buildings)	\$ 55 00	\$ 55 00
Management	15 00	15 00
Insurance	4 00	4 00
Maintenance	40 00	40 00
Amortization in 50 years	16 95	16 95
Interest on \$2,700 at 6 per cent.	162 00	at 4% 108 00
	\$ 292 95	\$ 238 95
Less yearly rental at \$12.50 per month	150 00	150 00
	\$ 142 95	\$ 88 95

It is to be observed that at a yearly rental of \$150 (\$12.50 per month), there is an annual deficit of \$142.95 with interest rate of six per cent and of \$88.95 with interest rate of four per cent. Such revenue returns mean that the capital would have to be furnished without interest return, but at the end of the amortization period the capital would have been returned and there would have accrued the equity of land and buildings, which, in view of the adequate provisions allowed against management and maintenance, should be in good physical condition. It is to be noted that the foregoing has been based on a four-roomed dwelling unit, and that, in view of smaller sized units being largely in demand at a uniform rental, the actual showing would be correspondingly enhanced.

There is a close and vital relationship between the rate of interest and the price at which houses can be rented. With provision of funds at low rates of interest there is brought into the line of possible achievement the provision of dwellings of higher grades and accommodations to a degree varying with the relative price of money available. This has been demonstrated in actual experience, as for instance, in the housing undertakings of the Toronto Housing Company, which, with funds guaranteed at five per cent by the City of Toronto to the extent of eighty-five per cent and with capital stock to the extent of fifteen per cent, limited in its earnings to six per cent per annum, provided housing in Toronto during high material cost conditions, on a commercial basis at rents suited to the incomes of tradesmen and white collared classes. There is reason to believe that private capital is available now and in considerable amounts for utilization in a parallel way by organized limited dividend companies under conditions which would allow of the utilization of funds at similar interest rates.

If the Government would advance eighty-five per cent of the necessary funds at five per cent or less, leaving the balance of fifteen per cent to be provided by housing companies or if, as stated by its solicitor in evidence, the Dominion Mortgage and Investment Association's members would furnish money to the extent of sixty per cent of the equity involved at five and a half per cent,