

Section 31 of the Central Mortgage and Housing Corporation Act requires that the Minister shall, with the approval of the Governor in Council, appoint two auditors to hold office for a term not exceeding two years, to audit the affairs of the Corporation.

You recall, gentlemen, that under the Financial Administration Act of 1951 the Auditor General of Parliament was given power to audit all Crown corporations. In our case he has approved the appointment of outside auditors, each for two years, to act on his behalf.

The Corporation also has statutory borrowing powers. The legislation authorizes the Minister to advance to the Corporation from time to time out of the Consolidated Revenue Fund funds for purposes specified in the National Housing Act and the Central Mortgage and Housing Corporation Act. In return, the Corporation gives to the Minister debentures undertaking to repay such advances with interest.

The income of the Corporation is derived from interest earned on loans made under the Housing Acts, property rentals, interest earned on the Corporation's share of Federal-Provincial agreements, interest earned on insured mortgage loans, fees earned for services rendered to Government agencies and net profits realized on the sale of real estate.

These are fully spelled out in our financial statement. In the covering document that I have prepared for you today I have not gone into any detail with respect to this financial statement, but of course I would be happy to do so if you so wish.

In its early years, the Corporation was one of the Crown Corporations that had little to do with the public directly. It dealt with lending institutions according to a well-defined pattern set out in the statute and the Regulations. It enjoyed considerable autonomy. In 1947, two extensions of function increased the Corporation's contact with the public: by taking over Wartime Housing Limited, the Corporation became landlord to 17,000 tenants, a number that soon increased to 50,000 with the build up of Veterans' housing at the end of the war. Authorization was also given in that year to make direct loans. Since 1935, governmental participation had been in the form of a share of each loan jointly with a lending institution. The 1947 amendment enabled the Corporation to make the full amount of the loan in cases where mortgage financing was not otherwise available.

In 1949, an amendment to the National Housing Act made the corporation an agent of the Government, subject to Federal Government and Governor in Council approval, in negotiating Federal-Provincial housing and land assembly agreements. In addition, the Defence Production Act assigned the building of Department of National Defence housing to the Minister of Public Works, an authority that is, in turn, delegated to the Corporation.

I believe, Mr. Chairman, that my statement to this point may serve for the moment as a broad description of the nature of the Corporation, its management and its relationship with the Government and with Parliament. I would now like to turn, if I may, to the physical deployment of the Corporation and its personnel throughout the country.

By the very nature of its business, the Corporation enters into contractual relationships on a day-to-day basis with many individuals and organizations from one coast to the other. To facilitate these operations and to provide the speed and quality of service that the public has come to expect in housing matters, it has been necessary to establish a fairly extensive field office system.

In discussing our physical structure, it is perhaps proper to start with Head Office. This, as you know, is located in Ottawa on the Montreal Road. Then, there are five Regional Offices, one each in Halifax, Montreal, Toronto, Winnipeg and Vancouver. Members of the Committee will have noted on the inside back cover of the annual report the location of other field offices.