

Q. They are not being altered as a result of conditions discovered which have led your department to undertake repairs?—A. No.

By Mr. Warren:

Q. I should like to ask a question. I am not going to ask the witness to put his answer on record if he does not care to but in talking about the cost of the Sarnia project could it be possible that as far as labour is concerned in that particular district they might be Canada's worst as far as efficiency is concerned, and as far as the rate of pay they would demand and the results they would give for it?

Mr. BOUCHER: Anything is possible.

The CHAIRMAN: Let the witness answer.

Mr. WARREN: He does not have to answer as far as I am concerned.

The WITNESS: I do not think it would be fair for me as a public official to express that opinion about Windsor or Sarnia or any place else.

By Mr. Fleming:

Q. There is one thing that I should have asked. It relates to the last question I asked. I see in the final paragraph of Colonel Parrish's report this is his final recommendation.

"(e) that no over-all reduction in the selling prices be made but that the present policy of 'writing off' costs due to unusual conditions on a particular project be continued."

A. Yes.

Q. How do you explain that in the light of your answer to my last question?

—A. Because at that time the committee authorized to deal with those matters had only dealt with some 1,500 houses throughout Canada, and that is the purport of that recommendation, that we continue to deal with the balance of them as costs became known.

Q. I can follow you on the first part of it when Colonel Parrish says, "that no over-all reduction in the selling prices be made", but what about the next part where he says, "but that the present policy of 'writing off' costs due to unusual conditions on a particular project be continued." He is not talking about any over-all adjustment policy applied right across Canada. He is very specific. He says "the present policy of writing off costs due to unusual conditions on a particular project."—A. All I can suggest is that you had better call Colonel Parrish to explain his report. I told you what the purport of it was according to my understanding, and I was travelling with him, that the policy should be followed to go ahead and deal with projects which had not yet come before the committee, but having set the prices that there be no write-off following establishment of prices.

Q. Then I take it the interpretation which you have applied to Colonel Parrish's recommendation and which you have put into effect in your administration since is the one you have just indicated, that there is to be no adjustment in price as a result of conditions in any project necessitating repairs?—A. No.

By Mr. Beaudry:

Q. Mr. Murchison, I am returning to that question of hold-backs which you discussed some time ago with Mr. Burton and Mr. Fleming. I believe you gave evidence to the effect that in the case of Ryan home builders on the Sarnia project at this date there was still a hold-back, if I recall correctly, of \$2,100. Is that correct?—A. I believe you are right. That is the approximate figure.

Q. Your procedure for effecting payments following progress reports was, I believe, from the earlier evidence, that your payments to the contractor were made only following substantiation of payment.—A. Right.