

Supply—Public Works

of this \$13,000 was expended on the distribution of the "Canadian Economic Outlook for 1958"?

Mr. Fleming (Eglinton): It is not possible, Mr. Chairman, for me to break this amount down into small segments. Actually, the item relates to other expenditures than the actual printing. It consists of freight, express and cartage, postage, advertising, office stationery, supplies and equipment.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

Central Mortgage and Housing Corporation—

773. Expenses incurred by Central Mortgage and Housing Corporation in constructing and supervising construction of married quarters, rental housing, schools and related services on behalf of the Department of National Defence—further amount required, \$270,000.

Mr. Garland: According to the reference, the details are on page 22, but there are fewer details on page 22 than are listed in the item itself. Can the minister explain where this is to be expended?

Mr. Fleming (Eglinton): As the item indicates, Mr. Chairman, this relates to expenses incurred by Central Mortgage and Housing Corporation in constructing and supervising construction of married quarters, rental housing, schools and related services on behalf of the Department of National Defence. The fact is that the construction work has exceeded what was originally anticipated. This is the whole sum and substance of the item. We are faced with increased costs.

Mr. Garland: Can the minister give us some details as to where this overexpenditure occurred?

Mr. Fleming (Eglinton): Well, it is not confined to any one place; this is in the entire program.

Mr. Garland: Can the minister say whether any part of this money or of the general vote was devoted to the development at Moosonee? There was a story in the *Financial Post*, I believe, some weeks ago —

Mr. Fleming (Eglinton): I can tell my hon. friend the answer is no.

Mr. Pickersgill: Is this additional amount required because the estimates made originally for the cost of those buildings were inaccurate and they have had to be exceeded?

Mr. Fleming (Eglinton): Mr. Chairman, the program is larger. The Central Mortgage and Housing Corporation has, on the instructions of the government, gone ahead with

this program of constructing more houses and has incurred higher costs.

Mr. Pickersgill: Is it more houses or is it higher costs? That is the point of my question.

Mr. Fleming (Eglinton): Both. I should like to enlarge on the answer. The program was enlarged. The Department of National Defence required more houses and this program was enlarged, the government having in mind the provision of winter work as well.

Mr. Pickersgill: Can the minister tell us whether some of those additional houses were to be built for those members of the Royal Canadian Air Force who were to fly the Arrow?

Mr. Garland: Can the minister clarify this. Is it in fact for construction or simply for administration?

Mr. Fleming (Eglinton): It is reimbursement to the Central Mortgage and Housing Corporation for its administrative expenses in supervising on behalf of the Department of National Defence this larger program in the construction of houses.

Mr. Garland: Then it is not construction at all.

Mr. Fleming (Eglinton): My hon. friend asked me how the item arose. It arises out of the enlarged program, more expensive program of construction, undertaken at the request of the Department of National Defence, and Central Mortgage and Housing Corporation is entitled to be reimbursed for its increased administrative expenses as a result of this enlarged program carried out on behalf of the Department of National Defence.

Mr. Pearson: Then this \$270,000 is not for the construction of more houses; it is not for extra costs that go into the construction of those houses; it is only for extra costs of administration in respect of the new program?

Mr. Fleming (Eglinton): The cost of the construction of the houses themselves is provided in the estimates of the Department of National Defence. This is the repayment to Central Mortgage and Housing Corporation for the services it rendered as an administrative agent.

Mr. Garland: One more point, I notice in the 1957-58 estimates the item of \$720,000 was reduced; in other words, there was a reduction of \$280,000. Now we find a third supplementary increase of \$270,000. What was the reason for the original reduction?

Mr. Fleming (Eglinton): The program of construction which was contemplated when