

adjustments had in mind should be done to recover for the taxpayers of the Dominion of Canada a good portion of that one-half million dollars?—A. That is not the purpose of that committee, sir. It does not come within the terms of reference of that committee. That committee was appointed under the provisions of the Act, section 21, and empowered to make use of the adjustment fund, first of a million dollars, to write off costs which did not represent value. That committee had no power to proceed to recover from the contractors.

Q. That is what I wanted to know, whether something was being done in that respect. I appreciate the answer I received that nothing is being done in that respect.

*By Mr. Warren:*

Q. I wonder if I might be permitted to ask Mr. Murchison whether this could be true? The department in all good faith gave a contract and the contractor accepted the contract in good faith believing he could get materials as he required them. On the Sarnia project I think it is true that labour was difficult to obtain—

Mr. FLEMING: Ask your question.

The CHAIRMAN: May I just say one thing? We will have discussion a little later and I will give you the floor, but at this moment we are having a question period.

*By Mr. Warren:*

Q. The question is this: could the contractor not be faced with this situation; believing he could get dry pine or dry spruce as specified in the contract and when he goes around looking for dry pine or spruce with his gang of men waiting at high wages, he cannot get anything but green Balm of Gilead or green poplar, something of that kind. He has to do the best he can. When it comes to the question of nails the contractor, being faced with the situation as we know it and it had application all over Canada, could not find a nail in a hardware store in the whole of Canada. Is that it?

Some Hon. MEMBER: He had a priority.

Mr. WARREN: A priority did not matter. If the nails were not there, you could not get them. I am asking you, Mr. Murchison, if that side of the picture could not be true?

The WITNESS: It could be true. It was true.

*By Mr. Beaudry:*

Q. May I ask Mr. Murchison this: in view of the fact that at some time your committee arrived at a proper valuation figure which, in the eyes of the committee was somewhat lower than the actual cost and in view of the fact, as Mr. Burton suggests, of a discrepancy amounting to a write-off of a little more than \$11,000 which appears to be a complete loss and appears from your answers to be not recoverable from any source, could it be construed that the amount it represents, somewhere between 6 and 7 per cent of the total cost of construction, might be looked at in the light, if you want to call it that, of a premium payable in order to obtain delivery of houses on certain specific dates or earlier on account of the urgency of the need; earlier than could have been the case if you had tried to save the taxpayers that premium of 6 or 7 per cent?—A. I would agree with that statement.

Q. I did not make a statement, I was asking a question. I will repeat my question. In the light of what I call a premium could you, yes or no, consider that in the light of a premium? Could it be so considered by this committee or would you consider it a premium?