

taken no steps to replace the building that was pulled down.

Mr. McCURDY: I do not think I can add much to the answer that was given to my hon. friend's question the other day. My hon. friend was then told it was the intention of the Government at the time a decision was arrived at to go on with the reconstruction, and that is why the demolition of the old building was begun.

Mr. SINCLAIR (Guysborough): My hon. friend does not mean that the site of the old Custom House is to be used for some other purpose?

Mr. McCURDY: Oh, no.

Mr. SINCLAIR (Guysborough): Why did the Government demolish the old building then?

Mr. McCURDY: With the intention of rebuilding.

Mr. FIELDING: On the same site?

Mr. McCURDY: Yes on the same site. However the reconstruction was not proceeded with. There are a great many meritorious construction projects in view, but it is a question whether it is wise to go on with them at the present moment.

Mr. SINCLAIR (Guysborough): It is not a wise policy to tear down a building and then allow some years to elapse before replacing it.

Mr. McCURDY: Perhaps it is not, but I would point out to my hon. friend that in the case of the Toronto Custom House the saving of interest on the money that would be spent in the new construction will amount to more than the amount now being paid in rent. The present premises are not as convenient perhaps for the public, although the location is a convenient one, and the loss is in that sense and not in the amount paid in rent. If I had anticipated the raising of this question to-night I would have brought before the committee the detailed results of the study I made three or four months ago of this very question. I have already given the committee one result of that study which is, that based on present construction prices, it is not economical for the Government to erect new office buildings under present conditions.

Mr. SINCLAIR (Guysborough): I understand that, but why tear down the old building if it was not intended to replace it?

[Mr. J. H. Sinclair.]

Mr. McCURDY: I quite understand the purpose of my hon. friend's question. He wants to know why one building was torn down and another not put in its place. Well, I simply say that construction conditions have become very difficult. Construction costs and the cost of obtaining money went very high, as my hon. friend knows. If he adds these two factors together he must conclude that the Government is justified in postponing plans for construction. At any rate that was the conclusion of the Government. If construction costs are high, and the cost of obtaining money falls very low we might go on and build; but if construction costs are up and the cost of borrowing also up at the same time, it puts a different face on the whole matter.

Mr. LEGER: What is the name of the owner of rented building?

Mr. McCURDY: The owner's name is J. Peters.

Mr. BALDWIN: Is the rental allowance to postmasters throughout the country included in that total amount of rentals for the whole Dominion?

Mr. McCURDY: No, those amounts are not included in this vote.

Item agreed to.

Yukon Public Buildings—Rents, Repairs, Fuel, Light, Water Service and Caretaker's salary, \$40,000.

Mr. McKENZIE: In view of the small population in the Yukon now and the small amount of business that appears to be done there, for what purpose do we expend \$40,000 in connection with public buildings?

Mr. McCURDY: It is quite true that the population of the Yukon is not increasing but rather the reverse. A departmental committee is at present studying the question of administration there, and I think it is quite possible—although I do not want to ask that this vote be reduced—that not nearly the whole amount will be required. There will be a saving probably in the vicinity of \$10,000, but I am not sufficiently sure of the time at which the report will take effect to ask the committee to reduce the amount of the vote.

Item agreed to.

Victoria B.C. — Astrophysical Observatory (Little Saanich Mountain)—Maintenance, Repairs, etc., \$3,500.