

viously, and it was the recommendation of the committee of 1942 that I should take over the matter. There is still a committee out in the field inspecting these projects throughout Canada, but perhaps the house will forgive me if I make certain statements though the final reports of that committee are not before me at the moment. The subject has been mentioned during the course of this and other debates, and I think it fitting that I should say a word or two on it at this time.

This matter involves the construction of 2,600 houses on small holdings under the Veterans Land Act. There have been representations and some misrepresentations, possibly not intentional, both in the house and outside. I am not going to engage in any controversy whatever on the subject. I have had these projects carefully inspected during the past few weeks; and I am able to assure the house that while there have been numerous instances of faulty workmanship, as is known to every hon. member who is familiar with any of the projects, and in some cases faulty materials have been employed, all the defects are of a kind that can be made good, and at the moment they are being made good as quickly as that can be done. Last evening the hon. member for Souris mentioned a one hundred per cent repair job. This is to be effected in every case where it is required throughout the country.

Mr. MERRITT: If the minister will permit a question, is the repair job being done at the public expense or at the expense of the contractor who did the faulty work?

Mr. MACKENZIE: The repair work will be done at the expense of the Canadian people. The total cost will probably amount to some five or six or seven hundred thousand dollars, not a cent of which will be charged as an expense against the settlers on these small holdings.

Mr. GREEN: What about the contractor?

Mr. MACKENZIE: That is a legal question which has received and is still receiving consideration, as to the obligations of a contractor under the contract. Last evening my hon. friend referred to a cost plus contract, to which I shall refer in a moment. These, however, were not cost plus contracts; they were management fee contracts, and the average price or fee or reward to the contractor was in the neighbourhood of \$200 per house.

Mr. MacINNIS: The good old free enterprise system, was it not.

Mr. MACKENZIE: Well, it was not very much by way of reward. I am assured by the officers I sent around to visit these centres—

and we must look at this side of it as well as the other side—that the men and women for the most part are happy and contented, taking pride in their homes and environment. On the other hand, with complete frankness I have to acknowledge some defects. Had we not been so eager, to the point of hastiness, as a result of the need for shelter, possibly we could have done a better job. But at that time, in the winter of 1944 and in 1945, we were confronted with an absolute housing emergency in Canada. An interdepartmental committee was formed here, with Doctor Clark of the Department of Finance as chairman, on which most of the departments were represented. The director of land settlement was asked at that time if he could undertake the construction of some two to three thousand houses in Canada. He said he thought he could, because as my hon. friends will recall, material had been previously contracted for, for that very purpose. That took place before I came into the department, I think in 1944.

In a time of great difficulty, Mr. Speaker, and with the means at our disposal we have provided 2,600 homes for veterans and their families. A land settlement organization created for the purpose of reestablishing veterans in agricultural production was, through the inexorable demands of the housing shortage, thrown into the large scale construction of houses on suburban subdivisions. The plans and specifications were prepared by architects selected by the architectural institutes of the various provinces. The work was supervised by engineers and inspectors selected through the usual competitive procedure of the civil service commission. In other words all the members of the inspection staff were appointed by the civil service commission.

The contractors were among the most outstanding firms in Canada. They were financially sound and of the highest reputation. The programme was undertaken in a time of extreme difficulty. It was begun before the end of the war, and was carried out during the economic disturbances of the transitional and reconstruction period. The ultimate experience was fraught with difficulties. It was neither very much better nor very much worse than that which has been encountered by others who have engaged in large-scale construction projects. As a matter of fact we hear the same complaints from private construction projects as well as from those conducted under government auspices.

The hon. member for Lambton West (Mr. Murphy) spoke in the house. He knows the contracting firm which did the work, because