

Q. I suggest to you that the end result is that the veteran will have a house with a purchase price all the way from \$500 to \$1,000 more than the normal purchase price, but he is no worse off at the end of the year. Instead of paying these extra local improvement rates in taxes he pays them in extra monthly rates to the Veterans Land Department; is that right?—A. That is the practical situation.

Q. Could I have the average figures—and I am talking now to your accountant—of the capital cost of those local improvements which normally are installed by a municipality, and for which recovery is made in annual taxes?

Mr. WURTLE: I worked that out and it comes to an average of \$499.36 for each of the 2,381 houses across Canada. That represents the equivalent of \$2.50 on his monthly payments.

Mr. CLEAVER: Multiplying 500 by 5 or close to 5 we get the amortization period and that would be \$25 or less in taxes and more in payments to the veterans land department as a result of the tax reduction.

Mr. WURTLE: It would be \$30 a year.

By Mr. Burton:

Q. Before you leave that there is one question following that. I did not want to interrupt Mr. Cleaver, but when you gave that figure on the basis of your houses you bore in mind some of those houses where you did not make local improvements in places where you were conveniently located with regard to water mains and hydro?

Mr. WURTLE: Yes, there are quite a few houses where there were existing water mains and sewers that we could use.

Mr. BURTON: With the result you did not need to make any capital expenditure in connection with those.

Mr. WURTLE: No.

Mr. BURTON: But taking the sum that you did spend on that development in places where it was needed and then dividing it among all of your houses you do not arrive at the exact figure.

Mr. CLEAVER: The end result would be that the figure would be too low.

Mr. BURTON: Yes.

Mr. CLEAVER: It might be \$600.

Mr. WURTLE: Yes, it would be.

Mr. BURTON: I wanted to get that cleared up. The main reason why I asked your permission, Mr. Chairman, for the floor was that I again wanted to express my opinion that after hearing this evidence over not a considerable number of days but a considerable number of meetings per day I believe that we have this picture fairly clear in our minds if we are ever going to have it. I may say I have what to my mind is an important question to ask after certain things have been disclosed here, but I suggest to you in all fairness that possibly we might go on for weeks that way and one thing would lead to another.

By Mr. Burton:

Q. Mr. Murchison, the original intention of your department was to provide houses for veterans under V.L.A. at cost, was it not?—A. That is right.

Q. And after you had constructed this number of houses that you have on a number of occasions placed on the record you along with some other gentlemen were named as a committee to examine the whole picture. Then you gave us the write-off figure by which you had reduced the capital expenditure. I believe the amount was \$1,146,395.—A. Yes, sir.

Q. When your committee decided on that write-off of the capital expenditure was it your intention to give the veterans who were interested in this their