which will give more rapid connections at no greater expense, and with no capital outlay. The Bell Telephone Company are putting in a number of large private exchanges between departments, and under the contract payments will only be made to the company for calls routed through the telephone company's central office.

Mr. DENIS: I understand that we have somewhere around 400 telephones in this building. Is a flat rate charged, or so much per phone? How many telephones are there under the number Queen 6400?

Mr. McCURDY: The telephone service in the House of Commons is a P.B.X. service—a private exchange. The total cost of the telephone to which my hon. friend has just referred is $10,000 per year.

Mr. DENIS: Is that $10,000 a flat rate, or so much per phone? Suppose we have fifty more telephones installed to-morrow, would we still have to pay just $10,000?

Mr. McCURDY: If we add fifty telephones to the present equipment, it would cost more. The contract for $10,000 covers a few more telephones than we have at present.

Mr. DENIS: How many telephones have we for $10,000 a year?

Mr. McCURDY: I will send that information to my hon. friend.

Item agreed to.

Heating, $450,000.

Mr. DENIS: We passed a few moments ago an item of $540,000 for heating. What is the explanation of this item?

Mr. McCURDY: The first item includes salaries of engineers, foreman and watchmen needed to carry on the heating service.

Mr. COPP: Of the public buildings in Ottawa?

Mr. McCURDY: It covers the public buildings in Ottawa.

Mr. SINCLAIR (Guysborough): Do we burn Canadian coal in these furnaces?

Mr. McCURDY: Wherever possible. The coal is bought by public tender, and it has been a source of regret to me that Canadian coal companies have not tendered to supply Canadian coal. The matter of coal contracts for buildings throughout the country generally is now being considered, and I hope that we shall be able this year to make larger purchases of coal within the country, thus reducing our imports.

[Mr. McCurdy.]

Mr. SINCLAIR (Guysborough): I thought that in view of the vigour with which the Minister of Finance has been advocating the purchase of goods made in Canada, he would induce the Minister of Public Works to burn Canadian coal in Ottawa.

Mr. CHISHOLM: What is paid for this coal?

Mr. McCURDY: The prices last year were very erratic; anthracite cost $15.50. A committee is now at work studying the problem of replacing the grates and furnaces in a number of buildings with the idea of using bituminous coal, thereby reducing the quantity of anthracite required.

Item agreed to.

Rents, $1,130,000.

Mr. DENIS: Is it the policy of the Government to erect new buildings? This amount would be sufficient to pay the interest on $20,000,000, with which the Government could put up buildings. I am not saying that this should be done now, but what is the policy of the Government in this respect?

Mr. McCURDY: This vote is for buildings in all parts of the country. The policy of the Government is to rent, or buy, or build, whichever is cheapest. Construction costs are not, and have not been, for some years at an attractive level. I made a computation recently, based on the cost of the Hunter building, and found that there was no saving in putting up our own buildings, notwithstanding that the Government can borrow money cheaper than private concerns.

Mr. COPP: What did the Hunter building cost?

Mr. McCURDY: About $1,350,000 in round numbers. We can get first-class premises to rent in other parts of the city, and investigations have convinced me that at present it is not practicable to build economically. Provision has been made for a site on the western side of the west block, and in the course of time buildings should be constructed there. That is not in immediate prospect, but it would be well for us to keep it in mind. The architects are working on plans, and when construction costs are more attractive, and other conditions are favourable, construction will be proceeded with.

Mr. FIELDING: Is the Daly building rented, or owned by the Government?