

SESSION 1947
HOUSE OF COMMONS

STANDING COMMITTEE

ON

PUBLIC ACCOUNTS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 19

FRIDAY, JULY 4, 1947

WITNESSES:

Mr. Gordon Murchison, Director, Soldier Settlement and Veterans' Land
Act;

Mr. William T. Cleave.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY

1947

MINUTES OF PROCEEDINGS

FRIDAY, July 4, 1947.

The Standing Committee on Public Accounts met at 11 o'clock a.m., the Chairman, Mr. L. P. Picard, presiding.

Members present: Messrs. Beaudry, Boucher, Bradette, Burton, Côté (*Verdun*), Cloutier, Denis, Fleming, Fraser, Gladstone, Golding, Hamel, Homuth, Jeanicke, Macdonnell, Murphy, Picard, Probe, Rinfret, Stuart (*Charlotte*), Warren, Winkler.

In attendance: Mr. Gordon Murchison, Director, Soldier Settlement and Veterans' Land Act; Mr. William T. Cleave.

It was agreed that a meeting of the steering committee be held on the afternoon of Tuesday, July 8, to consider an interim report dealing with the affairs of the Ottawa office of the Custodian of Enemy Property and with his administration of the property of organizations declared to be illegal.

The Committee proceeded to an investigation into the operations of The Veterans' Land Act in the Township of Sarnia, in the County of Lambton, Ontario.

Mr. Murchison was called and questioned.

Mr. Fleming filed a copy of Sessional Paper No. 1351, dated Wednesday, April 16, 1947, which, on motion of Mr. Fleming, was ordered to be printed as Appendix "A" to this day's minutes of proceedings and evidence.

Mr. Fleming filed a copy of Sessional Paper No. 135L, dated Thursday, May 22, 1947, the last page of which, *Average Cost for each Basic Floor Plan in each Province*, on motion of Mr. Fleming, was ordered to be printed as Appendix "B" to this day's minutes of proceedings and evidence.

Mr. Murchison undertook to furnish the Committee with copies of contracts and other information relating to the construction of houses by his department at Sarnia.

Mr. Murchison retired.

At 1 o'clock p.m. the Committee adjourned until 4 o'clock this day.

AFTERNOON SITTING

The Committee resumed at 4 o'clock p.m., the Chairman, Mr. L. P. Picard, presiding.

Members present: Messrs. Beaudry, Burton, Case, Côté (*Verdun*), Cloutier, Dechene, Denis, Fleming, Gladstone, Golding, Grant, Homuth, Jaenicke, Murphy, Picard, Probe, Rinfret, Stuart (*Charlotte*), Warren, Winkler.

In attendance: Mr. William T. Cleave.

The Committee continued its investigation into the operations of The Veterans' Land Act in the Township of Sarnia.

Mr. Cleave was called, sworn and questioned.

Mr. Cleave retired.

At 6.10 o'clock p.m. the Committee adjourned until Wednesday, July 9, at 11 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 4, 1947.

The Standing Committee on Public Accounts met this day at 11.00 a.m. The Chairman, Mr. L. Philippe Picard, presided.

The CHAIRMAN: Gentlemen, before we start this morning I think it might be well if we would set up an agenda on this particular item because it has come quite late in our work. According to the wishes expressed by most of the leaders in the House we want to get through the work of parliament as soon as possible and I wonder if we could have an idea from Mr. Fleming as to how many meetings he thinks his particular angle of this question might consume? We would then have an idea how we should set up our agenda for next week because the time is pressing.

Mr. FLEMING: Mr. Chairman, it is a little difficult to say, but the best estimate I could give in advance of hearing any of the evidence would be perhaps about three meetings of the committee.

The CHAIRMAN: I see, now is that assuming that you will take all three meetings for yourself?

Mr. FLEMING: No, no, no.

The CHAIRMAN: I am not asking that as a joke but I am asking you frankly. You actually might want to take the three meetings for yourself.

Mr. FLEMING: No, I hope I would not do that, Mr. Chairman. If we can do better than three meetings I am sure we will all want to do so. If we were to sit more than once a day it would not mean sitting three days, and I am only talking about three meetings. That is my present impression but it is a little difficult to say in advance.

The CHAIRMAN: Well, I had a talk last night with some of the members of the committee and I understand it would be agreeable to many of them to sit twice to-day. Also, I have had the feeling expressed by many of the members that they would not want to sit on Monday, and on Tuesday we have the External Affairs Committee where most people will want to be. Then, we have the reports to be brought in about the work we have done previously. I think, therefore, Tuesday afternoon might be devoted to a meeting of the steering committee and I would then submit reports on the angles of our work not covered already by reports. One is the illegal organizations question, another is the custodian's office in Ottawa, and then we have Mr. Sellar's evidence and recommendations. I think we might on Tuesday afternoon and perhaps Tuesday night have two meetings of the steering committee on those features. Then we might sit twice on Wednesday and twice on Thursday to get rid of this particular work.

Mr. GOLDING: Why could you not sit a couple of times to-morrow?

The CHAIRMAN: Most of the members have expressed the idea that they cannot be here but if that is desired now we could take a vote.

Mr. FLEMING: I would think Mr. Chairman we will have to sit either to-morrow or on Monday because there may be quite a bit of pressure in the House once you get past the middle of the week and if there were any discussions on any of these reports, I am not anticipating that there should be, but

I think the reports should be in the hands of the House in time to permit such discussion.

The CHAIRMAN: You mean the reports of our committee?

Mr. BURTON: Mr. Chairman, if I may be allowed to say a word in connection with that I would make the suggestion that we proceed with this meeting to-day and see the course it is going to take and how important it may become. For my part I am not going to agree that we need four or five meetings until we see what develops. Furthermore, under the circumstances, I do not see that the members should be asked to sit twice in this committee to-morrow after the work we have had in the House and the work we have had during the past week on other committees that we have had to attend. My suggestion is that we proceed with the work and make our plans later.

The CHAIRMAN: That is agreeable to me. The only point in bringing this up at the start of the meeting is that during the meeting many of the members go away and when we reach the end of the meeting we do not even have a quorum to decide what we will do next. Very often these members do not have a chance to say whether they want to sit on such and such a day or not.

Mr. MACDONNELL: Does that make the next meeting illegal if there is no quorum to fix the date?

The CHAIRMAN: I would not say that. Then, gentlemen, let us say that we will agree to Mr. Burton's suggestion of going ahead with this morning's work and at the end of the meeting we will decide what to do next. We will call first Mr. Cleave.

Mr. FLEMING: I believe there are two witnesses here, Mr. Murchison, and Mr. Cleave. Perhaps we might have Mr. Murchison first on some of the background of this enterprise.

Mr. GOLDING: I think you are reversing it.

Mr. FLEMING: No, Mr. Chairman, Mr. Murchison is the logical person to call first because he has the background information. Mr. Cleave has the immediate information about the properties as he was dealing with them but I would not think he has personal knowledge of the background and I think it would be more logical to have the background first. I therefore suggest we call Mr. Murchison first.

The CHAIRMAN: Mr. Murchison is here.

Gordon B. Murchison, Director of The Soldiers' Settlement Board and Veterans' Land Act, called:

Mr. FLEMING: Shall I start Mr. Chairman?

The CHAIRMAN: Yes, go ahead.

By Mr. Fleming:

Q. Mr. Murchison, what is your official office with the Veterans' Land Act administration?—A. I am the director.

Q. And you have held that office how long?—A. Since November 1942.

Q. As a matter of fact you have held it ever since the Act was passed and the administration was set up?—A. Yes.

Q. And you have personal knowledge of the operations of the Veterans' Land Act administration in Sarnia township, the county of Lambton, Ontario?—A. I have a good general knowledge.

Q. How many houses were built there by the Veterans' Land Act?—A. Twenty-five in that township.

Q. In Sarnia township? Now how many of those had been built up until April last?—A. All of them.

Q. All of them? Are you quite sure about that? We are speaking simply of Sarnia township?—A. Sarnia township, Lambton county.

Q. Yes.—A. Perhaps I should say we have approved of loans for that number of houses in that township. I should not have said those houses are completed but we have approved the loans on those houses.

Q. Are you familiar with sessional paper 1351 dated April 16, 1947? I will read to you question 1(a) and the answer. These are questions by Mr. Murphy.

What is the total cost of each home under the Veterans' Land Act in (a) Sarnia township, Lambton county...

and the answer shows "eight houses constructed"—A. That must refer only to the project of eight houses in a group that was built near the city of Sarnia.

Q. Let us concern ourselves with that group of eight houses built in Sarnia township. I just interject that those other ones you speak of must be somewhere else than Sarnia township. I do not think they are in the township or else this return was not complete in April last.

Take this group of houses, what was the size of those houses?—A. They were 4, 5, and 6 roomed houses I believe.

Q. Well have you got the actual information there?—A. No I have not.

Q. Well that is not very much help to us then. Do you happen to have an indication on your records regarding the plans on which they were constructed?—A. I have the identification of a house plan by a code number but nothing further than that.

Q. Would that indicate to you what plan was used in the construction of these houses?—A. Yes.

Q. Perhaps I could help you? Is it not a fact that there were four plans and there were two houses built according to each plan?—A. That is right.

Q. Now you say there are four plans of 4, 5, and 6 roomed houses?—A. Yes, that is my recollection, or 5 and 6 roomed houses.

Q. Well I am told there are 4 and 6 roomed houses but no 5 roomed houses?—A. I would not argue with that.

Q. Well now you know what plans they were, can you give an indication to the committee as to the size of the houses?—A. Can I give the over-all dimensions?

Q. Yes.—A. No, I would not care to say precisely what the over-all dimensions were.

Q. Well you know what the plans were, are you familiar with the size of the houses according to those plans?—A. Not the precise dimensions of them.

Q. What you are saying is you have not got the plans?—A. That is correct.

Q. I think we will have to ask you to produce those plans unless we can shorten things up to this extent, they are 4 and 6 roomed houses. Do you know how many floors there are?—A. Storey and a half and bungalows.

Q. But without further records you cannot give us the dimensions of the houses?—A. No.

Q. I will have to ask you to get that for us. Now have you the dates on which construction was commenced and completed?—A. I have the date of the contract under which the houses were constructed.

Q. They were all built under one contract?—A. That is right.

Q. Can you give us the date?—A. The date of the contract was July 21, 1945.

Q. July 21, 1945 and the name of the contractor was —?—A. Ryan Home Builders, of Detroit street, Windsor.

Q. I think we better have the contract or a copy of it filed, Mr. Chairman. We will probably have to come back to that later.

The CHAIRMAN: Will you have a copy prepared, Mr. Murchison? This one belongs to the file so we will not ask Mr. Murchison to take that out.

By Mr. Fleming:

Q. Do you have a copy that you could take out of your file?—A. No, this is the original but I could let you have a copy later.

Q. Very well. Is that the only contract with respect to these eight houses, or were there other contracts entered into with the same contractor or anyone else in relation to those eight houses?—A. Not for the original construction. Any additional contracts developed here would be by way of sub-contracts under the prime contract.

Q. Is the Veterans' Land Act interested in the sub-contracts?—A. Only to the extent that they approve them as submitted by the prime contract.

Q. Will you submit to the committee copies of these sub-contracts? Do you happen to know how many there were?—A. No.

Q. We can take it these supplementary contracts all were with the Ryan Home Builders Ltd., Windsor?—A. The prime contracts were with Ryan Home Builders Ltd. but the sub-contracts were arranged by Ryan and approved by our representative.

Q. Have you got a copy of those sub-contracts?—A. I believe so.

Q. I understand, apart from the sub-contracts, there were two supplementary contracts entered into with Ryan Home Builders by the Veterans' Land Act?—A. For what purpose?

Q. In relation to those houses.—A. Yes, that appears to be right, sir.

Q. What are the dates of the supplementary contracts?—A. One is the 21st of July, 1945, and one is the 14th of September, 1945.

Q. Are there any others?—A. Those are all I see on my file.

Q. Will you search your file, Mr. Murchison, and submit any supplementary contracts with the builder as well as the sub-contracts please?

You gave us the date of the contract as July 21, 1945. Have you the date the construction, and I am principally concerned about the date of completion, the period of the contracts covered?—A. I cannot give you that precise date, sir, because the houses were allocated, according to my information in some cases, before the contract was completed. For all practical purposes I believe the houses were constructed by some time in December, 1946.

Q. December, 1946, that was about a year and a half after the contract was let. Were the houses all completed then by December, 1946, all eight of them?—A. I believe so.

Q. And were they allotted then to veterans?—A. Yes.

Q. And when did the veteran enter into occupation?—A. I have not got the exact date of that but it would be about that time.

Q. Now what was the nature of the contract with Ryan Home Builders Ltd.? Was it on a cost plus fixed fee basis?—A. Cost plus management fee, or fixed fee basis.

Q. That will appear—A. That will appear in the contract.

Q. Is that the basis upon which houses were being constructed under the Veterans' Land Act at that time?—A. That is right, not all cases, but in the majority of cases.

Q. Well from the time P.C. 1728 was passed on April 2, 1946, it became the standard basis of contract did it not for the Veterans' Land Act?—A. P.C. 1728 is it, which you mention?

Q. Yes.—A. I do not think that has any reference to the type of contract that was entered into.

Q. It has reference to it.—A. It has reference to the adjustment of construction costs incurred under cost plus contracts after the date of that order.

Q. That is the basis you were dealing, under the Veterans' Land Act, at that time, cost plus fixed fee?—A. Yes.

Q. Now in these particular cases without reading over the contract in full, can you indicate what that fixed fee amounts to in terms of these eight

houses?—A. The fixed fee, I believe, was \$225 per unit which was the payment for supervision and management of the contract.

Q. When was the land purchased?—A. 1945.

Q. 1945, and on whose recommendation?—A. On the recommendation of the advisory committee at London, Ontario.

Q. And did the construction of the eight houses completely cover the parcel of land that was purchased?—A. By no means.

Q. What was the basis upon which the land was appraised when bought?—A. When we purchased the land?

Q. Yes.—A. There were two adjoining parcels of land, one consisted of 34.71 acres. That was purchased from a Mr. McNally at \$295 an acre. 31.4 acres were purchased from a Mr. Durance at \$285 per acre.

Q. What price has been assigned by V.L.A. to the eight parcels on which the eight houses are erected?—A. \$178.

Q. \$178?

By Mr. Gladstone:

Q. Who are the advisory committee at London?—A. I am sorry I cannot give you their names offhand, with one exception; Mr. England, the investment manager of the London Life is the member of our advisory committee.

By Mr. Jaenicke:

Q. Was that \$178 per acre? How much is there in a housing unit?—A. Half an acre.

By Mr. Fleming:

Q. In other words, you priced each of those eight parcels at \$178?—A. Yes.

Q. Can you give me the total cost of the land that was purchased, totalling about 66 acres? If you have got it—A. I have it right here. \$19,310.45.

Q. Can you give the committee the cost of the eight houses to V.L.A.?

Mr. PROBE: Are you referring to the contract now?

Mr. FLEMING: I want the total figure. You can give us the total figure and the breakdown afterwards.

The WITNESS: \$62,235.10.

By Mr. Fleming:

Q. \$62,235.10 for the eight houses?—A. Yes.

Q. Does that include land?—A. No.

Q. Is that just house construction?—A. Yes.

Q. House construction only. Have you got the breakdown of that as between the eight houses according to the four plans?—A. No, I am sorry, I have not got that with me, sir.

Q. Perhaps I can help you. It appears on this return, sessional paper 1351, dated April 16, 1947. Perhaps you can check this if it is correct: two at \$7,759.36 each; two at \$7,928.57 each; two at \$7,081.95 each and two at \$8,200.54 each. That is the cost of the house only. I think those figures work out.

Mr. FRASER: It is \$9,000 on the return I have.

Mr. FLEMING: There is a question in the return as to whether the figure is \$7,081.95 or \$9,081.95. You might check that when you are covering these figures, if you like.

By Mr. Fleming:

Q. You gave us a total of \$62,235.10 for the houses, and that is for the house construction only; it does not include land?—A. That is right.

Q. Does it include anything for overhead?—A. Yes, that would include all the approved items of construction, and overhead was allowed of course in the cost plus contract.

Q. Does it include specifically any project overhead?

Mr. BOUCHER: Do you mean overhead to the contractor or to the Veterans' Land Act?

The WITNESS: Overhead to the contractor.

By Mr. Fleming:

Q. It includes overhead to the contractor, and it is included in the cost the Veterans' Land Act?—A. That is right.

Q. What about other items? Apart from the figure you have given as to the cost of the houses, does that include anything for the construction of roads? A. No.

Q. Sidewalks?—A. No.?

Q. Water connection—water mains and connections?—A. In addition to these house costs, according to the figures before me, there would be additions as follows: land \$187 . . .

Q. What is that? You gave us a figure of \$178.—A. That is a transposition; that should not be there—roads \$281, water \$163.93, grading \$285. House service charges have also been assessed against these lots in the amount of \$367.60. This figure is made up of connecting water to the house, \$142.85, driveway \$79.75 and landscaping \$145. I might say, though, that some of these figures here, whilst they are taken into account as cost, have not yet been disbursed.

By Mr. Warren:

Q. Might I interject a question here? Just about what amount of cash would the veteran have to pay out of his own pocket or what percentage would he be receiving from the government?

The CHAIRMAN: That is a pertinent question.

Mr. WARREN: I think so.

The WITNESS: The costs of these eight houses, the land on which they are situated, and the services which were charged to these eight houses are dealt with by the Deputy Minister of Veterans Affairs and myself under the provisions of order in council 1278 and the sale prices of these homes were established including the land, as follows: selling prices were, \$6,047, \$5,493, \$6,359, \$5,493, \$6,056, \$6,324, \$6,324. There was one other at \$6,504 of the same model as I have just mentioned for \$6,359—an additional item of \$145 in that particular house. These sale prices called for a down payment of \$600 each, and the monthly payment terms were as follows: \$27.11, \$24.34, \$28.66, \$24.34, \$29.39, \$27.15, \$28.48, \$28.48 per month respectively for twenty-five years.

Mr. WARREN: A very modest rent.

Mr. HOMUTH: The houses are worn out.

Mr. WARREN: Oh, no.

By Mr. Fleming:

Q. I take it that to each of these figures you have given now must be added the sum of \$1,400, which is the conditional grant, to give you the total figure?—A. When I gave you the selling price of \$7,447 inclusive in making that sale the conditional grant of \$1,400 is allowed for, and the terms payable by the veteran are based on the cost to the director less that amount of subsidy.

Q. In other words, the sale price that has been established would be—check these figures if you wish—two at \$7,723.96, two at \$7,891.96, two at \$7,455.96 and two at \$7,758.96. In the sale to the veteran the conditional grant of \$1,400 would be deducted in each case to arrive at the figures you gave Mr. Warren now?—A. Yes.

Q. Coming back to the point prior to that question, these figures you are giving on the cost of land, roads, water, grading, service charges, landscaping and so on—are those costs per house or for the group?—A. Per house.

Q. And have you figured what this aggregated per house?—A. \$916.93 per house.

Q. Let us check this again, because I understand there is some difference of opinion as to the total. Land, \$180?—A. \$187.

Q. You gave us a figure of \$178 before; which is the correct figure?—A. I am sorry, I cannot tell you whether it is \$178 or \$187. Pardon me, there is an explanation here. There is only one lot on lot 9 north. The land development costs amounted to \$907.93, which included an item of \$178 for land, while on the remaining seven lots the charges are \$916.93, consisting in part of a land cost of \$187. There is a difference of \$10 between one lot and the other seven.

Q. I want to check those figures.

By Mr. Boucher:

Q. You say \$916.93 for services includes the price of the land?—A. Yes.

By Mr. Fleming:

Q. Will you check those figures: land \$187, roads \$281, water \$163.93, grading \$295—A. \$285.

Q. Service charges \$367.60?—A. Yes.

Q. Driveway \$79.75?—A. Connecting water to the house \$142.85, driveway \$79.75, landscaping \$145, making a total of \$367.60.

By Mr. Warren:

Q. Is not that taken care of in the rent that is paid over twenty-five years—those extras—by the veteran?—A. It is written into the over-all cost of the unit and benefited by the conditional grant of \$1,400.

By Mr. Fleming:

Q. I cannot agree with your total; I think you are about \$360 out, are you not? Land \$187, roads \$281, water \$163, grading \$285, and these various service charges \$367.60. It comes to something like \$1,300. Have you got that total? I am told, Mr. Murchison, it comes to \$1,283—not \$916.—A. That is right; it would in total. The land, roads, water and grading total \$916.93. The other item of \$367.60 would be taken into account in the cost of the house.

Q. The total figure for these items that enter into the cost of construction is \$1,283?—A. That is right.

Q. You said, in effect, that the figure of \$1,283 plus the figure previously given totalled in the case of the eight houses \$62,235; by the way, let's just reckon that up, that \$1,283 in the case of the eight houses would give you \$10,264 approximately, wouldn't it?—A. Might I check on that?

The CHAIRMAN: Just on that point, Mr. Murchison; is the \$1,283 additional to the \$963 cost; of course, that is included in the cost of \$62,235?

Mr. FLEMING: I am trying to get the accurate figure on the cost of construction and I do not think that figure is in there twice.

The CHAIRMAN: That is what he just said.

Mr. FLEMING: He should make that clear, then.

Mr. JAENICKE: Might I interject here, Mr. Chairman; Mr. Fleming said he was going to get the background from Mr. Murchison and then go into details. Maybe the other official who is here has more expert knowledge.

Mr. FLEMING: The other gentleman is not an official, he is one of the veterans.

Mr. JAENICKE: Oh, I see.

The WITNESS: I suggest, Mr. Chairman, that it might be better for the purposes of the record and to clarify some of the questions asked by Mr. Fleming if I were to be given an opportunity to give you a certified breakdown statement of the total cost of these houses. It would appear from the questions so far that the situation is none too clear.

The CHAIRMAN: Could we ask Mr. Fleming to put a direct question as to exactly what he wants so you will be able to prepare a memorandum? You will then be in a position to bring in a report giving him everything he wants.

By Mr. Fleming:

Q. Mr. Murchison, I want you if you will to prepare a detailed statement of all these items of cost. I want to arrive at the figure in the aggregate and at the figure per house which I think will follow quite simply from the statement you have just given; and as to the first item \$367.60, there is some suggestion that that has already been included in the cost and should not be included in here. I want to point out to you this sessional paper No. 1351, question 6, which reads: "What was the cost per unit of project overhead and how was the same made up?" Then one figure we have here is \$1,736.22 which you can see is vastly different from the figure \$916.93.—A. I do not think they refer to the same thing at all.

Q. I think you have added them together.—A. I do not think they refer to the same thing, project overhead.

The CHAIRMAN: Is that project overhead?

The WITNESS: The contractor's overhead charges into it.

The CHAIRMAN: Yes.

By Mr. Fleming:

Q. I want to clear that up, it is obviously not any too clear; in other words, what you are saying is this; the items which you have given total \$1,283, and they are no part of project overhead but they are items which enter into the cost of the houses and the land?—A. Yes.

Q. And the figure, \$1,736.22 indicates project overhead per house?—

A. That is what they are. That is what I mean.

By the Chairman:

Q. Would that be included in the cost of the houses you mention?—

A. Yes.

Q. It is included in the cost, it is not above the cost?—A. No.

Mr. FLEMING: You say that in each case it is included in the cost running from \$7,759.36 per house up?

The CHAIRMAN: That is right.

Mr. FLEMING: You forget that, I take it. I want to assist Mr. Murchison in clearing that up for us, and I want you to check up very closely to see whether or not your last answer is correct because apparently by this sessional paper No. 1351 I think you will see that in reply to question No. 1: costs are given as:

1. (a) 2 at \$7,759.36 each	} Cost of house construction only
2 at 7,928.57 "	
2 at 7,081.95 "	
2 at 8,200.54 "	

So perhaps you had better not put on the record that \$1,376.26 per house as including that until you have checked on it, Mr. Murchison.

The WITNESS: Thanks very much.

Mr. JAENICKE: May we be clear as to what you mean by overhead? I do not appear to understand it.

Mr. FLEMING: Perhaps I can help my hon. friend by referring to the sessional paper which describes overhead in the following terms—

Mr. JAENICKE: Why don't you just let us have a statement of claim so that we will know what the charges are?

Mr. FLEMING: I would be very happy to file this return to the House and a couple of others. I thought the best way to proceed would be by question and answer. You see, this question was asked in the sessional paper, I refer to question No. 6, which reads:

6. Q. What was the cost per unit of project overhead and how was the same made up?

A. Average per unit at Sarnia \$1,736.22. Project overhead includes the following items: temporary buildings, salaries of staff located on the project including superintendents,—

Mr. JAENICKE: That is the V.L.A. overhead?

The WITNESS: No.

The CHAIRMAN: No, that is the contractors.

Mr. JAENICKE: I thought the contractor was \$225 overhead per unit.

The WITNESS: That is the supervision fee.

Mr. FLEMING: That is the fee after cost.

Mr. JAENICKE: Then there is nothing to be paid there, is there?

Mr. FLEMING: That is included in the cost.

Mr. JAENICKE: It is obviously included in the cost to the government.

Mr. FLEMING: Mr. Chairman, had I better continue reading how project overhead is made up. I got down as far as "superintendents"; it continues:

—accountants, bookkeepers, stenographers, timekeepers, material checkers, first aid attendant, watchman, and water boys. Miscellaneous expenses incurred at job office in direct relation to the project include travelling expenses, telegrams, and telephone calls.

I do not think they overlooked anything there.

The CHAIRMAN: No, practically everything they can think of is in that. I would like to clear up one point, if possible, relating to the cost which was given to us per unit of \$7,000-odd; did that include the contractor's overhead?

The WITNESS: Yes.

The CHAIRMAN: It does?

The WITNESS: That is what we want to make clear.

Mr. FLEMING: That is just what we want to get at, Mr. Chairman; because this return, sessional paper No. 1351, gives a very different impression.

The CHAIRMAN: Does it say in the return that the overhead is included in the cost of the house? What I want to get clear is, just what overhead, what kind of overhead is charged into these houses.

Mr. FLEMING: Answer No. 1 says, "cost of house construction only"; and for purposes of emphasis the words "house" and "only" are underscored. I take it from that that it includes only the cost of the dwelling and not the land and services.

The CHAIRMAN: That is what I want the witness to make clear to us. What portion of overhead is charged into each house?

Mr. FLEMING: The witness had better check up on that, Mr. Chairman. I simply pointed out for his assistance that when he comes to look into this that the figures given in the sessional paper appear to be quite different from those he has been giving to us here this morning. The figure here is \$1,736.22; and the sessional paper details the items which are included in overhead.

Mr. FRASER: May we find out if the management cost is included in this table on the cost of house construction here?

The CHAIRMAN: What do you mean by management cost?

Mr. FRASER: Management cost.

The CHAIRMAN: Not the overhead cost?

Mr. FRASER: No, the management cost.

Mr. PROBE: He refers to the fee of \$225.

Mr. FRASER: Is that included in that?

The WITNESS: Yes.

Mr. FRASER: Then there is cost plus; what is that based on, their cost plus the fee on each of these houses?

The WITNESS: That was cost, plus a management fee of \$225.

Mr. FLEMING: Could we leave that now, Mr. Chairman, and give the witness an opportunity of getting the facts on that and then we will not be wasting time.

Mr. GLADSTONE: Mr. Chairman, there has been so much reference to this sessional paper, do you not think it would be a good thing to have it put on the record?

Mr. FLEMING: I will be very glad to put it in, and I have a couple of others which I will also be glad to put in.

The CHAIRMAN: I do not see that there is any objection at all. The only point is that we might have from the witness at our next sitting a report giving exact details to the answers that have been put to him this morning. It seems to me that we will not be able to arrive at any exact conclusion until we get his report. For that reason I suggest that we defer further questioning on this matter until the information which has been asked for is before us.

Mr. FLEMING: That is what I was going to suggest. I think perhaps it would be just as well if I were to have this sessional paper put on the record now, sessional paper No. 1351, dated April 16, 1947.

Sessional paper No. 1351—Appendix A.

Mr. WARREN: Mr. Chairman, may I ask if time is being taken up on complaints based on the tearful, weepy story that was given in a speech by Mr. Murphy in the House of Commons with respect to eight houses out of the thousands of houses that have been built under the V.L.A.?

Mr. HOMUTH: Well now, Mr. Chairman; we don't want anything like that. We are not going to stand for a thing of that kind—

The CHAIRMAN: Mr. Homuth, at least let the member speak; you can speak afterwards.

Mr. HOMUTH: Well, Mr. Chairman, if Mr. Warren is going to get up and make a speech on this subject, well, everybody here is going to do the same thing.

The CHAIRMAN: That is not the point. Mr. Warren has the floor, and I propose to let him continue. You can say whatever you have to say after he has finished. What you are doing may be good tactics or policy in the House of Commons, but it is not in this committee. In this committee when a member has the floor he is not going to be shouted down.

All right, Mr. Warren, will you continue?

Mr. WARREN: Does this thing all rise out of the complaints of the veterans there at Sarnia? If anyone here wants to go into that sort of thing all they have to do is to go out the Merivale road and look at the 400-odd families who have been located out there. I was out and I had a look at them. The houses there were built in what looked like a bog-hole when I saw it last summer.

Mr. FLEMING: Mr. Chairman, I object on a point of order.

The CHAIRMAN: What is the point of order?

Mr. FLEMING: Mr. Chairman, we have a definite agenda set for this committee which was determined by the committee. The agenda was to inquire into the V.L.A. operation in Sarnia township, Lambton county, in particular.

Mr. WARREN: I am not going back to that.

Mr. FLEMING: My second point is this; it has been the rule followed in this committee from the outset that comments be reserved until the close of questions. At the moment we are on questions. Mr. Warren is not asking a question.

The CHAIRMAN: Mr. Warren was asking a question as to whether—

Mr. FLEMING: But that is not a question directed to the witness.

The CHAIRMAN:—whether we were considering the eight houses or whether we were going into the whole field of V.L.A. construction.

Mr. HOMUTH: Now, I rise to a point of order. Mr. Warren said nothing of the kind. Mr. Warren got up and asked if we were going to deliberate on the type of weepy speech made by Mr. Murphy in the House.

The CHAIRMAN: Don't you think we have given enough time to this?

Mr. MURPHY: On a point of order, Mr. Chairman; I object to the statement made by the hon. member (Mr. Warren) regarding the speech I made in the House of Commons. He will find that the complaints in my speech apply to over 90 per cent of the V.L.A. homes.

The CHAIRMAN: You mean you object to the use of the word "weepy"?

Mr. MURPHY: I do. I think that speech applied to over 90 per cent of the houses constructed by V.L.A. throughout Canada.

The CHAIRMAN: Mr. Warren, could we come to the point of your remarks?

Mr. WARREN: Well, in that connection, I just wanted to point out that in my opinion there would be many other houses which will also have to be considered.

Mr. FLEMING: That is not the question.

The CHAIRMAN: Well, I haven't heard all he had to say, so I do not know whether it is a question or not.

Mr. FLEMING: It is not a question.

Mr. WARREN: For example, there is the case of the door that didn't work.

Mr. HOMUTH: What is the question?

Mr. WARREN: There are a lot of these houses which are unsatisfactory and on which they are having to do a lot of repair work already.

Mr. FLEMING: That is not a question, is it?

Mr. WARREN: Well, I don't know what you'd call it if it isn't.

Mr. FLEMING: Mr. Chairman, may we proceed with the questions called for this morning?

The CHAIRMAN: Yes.

By Mr. Fleming:

Q. Now, Mr. Murchison, I want to get down to the matter of your experience with the veterans who purchased these houses. I understand you to say that the veterans to whom these houses were allotted entered into occupation around December last?—A. Yes.

Q. Were the contracts signed at that time with them?—A. If my memory is right there were only two.

Q. Only two out of eight signed contracts?—A. Yes.

Q. Is it not rather unusual for occupation to be taken by the veteran without the signing of a contract?—A. It has been quite common practice in our construction because we have had a great deal of pressure all over Canada from veterans demanding access to these houses the moment they are habitable rather than when they were fully completed; and in some cases, ill-advisedly as it turns out, we gave way to that pressure and allowed a good many veterans to get occupation of these homes before they were fully completed. That did not simplify the completion of the house but it did give the veteran plenty of opportunity to submit everything to a minute inspection and to voice his complaints as to what he found wrong here and there.

Q. You would not deny to the veteran the right to make a minute inspection of the house for which he was going to pay—A. Not at all.

By Mr. Stuart (Charlotte):

Q. Did the veteran sign this agreement of his own free will and accord?—A. Absolutely.

Q. He knew what he was getting?—A. He inspected it before he went in.

Q. And he signed the contract of his own free will and accord—A. If he has signed.

Q. I mean, if he did.—A. Yes.

By Mr. Fleming:

Q. Are you sure that even two contracts were signed?—A. Yes—I am not sure.

Q. Perhaps you will check that up also. You are speaking as though you are under the impression that two contracts were signed.—A. They may not have been signed the day they went in. It is my information that there were two veterans on contract, who had signed contracts.

Q. All right, let us stick to that for the moment. Have contracts ever been signed by the others?—A. No.

Q. Did the veterans who went in refuse to sign contracts?—A. Yes.

Q. Did they give reasons for the refusal?—A. They criticized the quality of construction and the price.

Q. They criticized the poor quality of construction and the price, and then I take it they refused to sign contracts?—A. That is right.

Q. And that situation has persisted ever since they refused to sign the contracts?—A. I believe so.

Q. Whatever the reason, they were not signed; were they completed in the sense of performance according to the terms of the contract; had the veterans paid the additional amount of \$600 down?—A. No.

Q. I take it then that the situation as to the two cases is that you think that contracts were signed, but if they were signed the veterans refused to make any further payments?—A. I would have to check on that.

Q. Could you give the veterans' reasons for refusal to make payments?—A. The only answer I can give to that would be with respect to the four or five who would not sign contracts.

Q. I am speaking now about the two who did.—A. I would have to check to make sure that they are not making their monthly payments.

Q. You are not sure about that so we had better leave it until you have an opportunity of looking into it.—A. Yes.

Q. I would like you also to be prepared to produce any correspondence or documents in your departmental files relating to these eight houses and relating to the efforts to obtain equalized contracts, and the correspondence you have had since with veterans, if any, as to their reasons for non-payment or refusal to sign contracts. What have you done in the light of these complaints from veterans?—A. We have undertaken a very close survey by experts of the

deficiencies or the defects in construction, and the work has been carried out and is very close to completion.

By Mr. Stuart (Charlotte):

Q. Might I ask you a question or two there, Mr. Murchison, as to the six veterans who have not signed contracts; has there been any pressure on the veteran to sign a contract for these houses?—A. No, he can move out to-morrow if he wishes.

Q. He can move out any time if he wishes?—A. Yes.

Q. He has not got to sign the contract?—A. No.

Mr. FLEMING: Have you asked a veteran to move out in those cases?

The WITNESS: I could not say as to that point in recent weeks, but we are at the point of having completed all defects which we have been able to identify and we feel the time has arrived where these veterans should either purchase the homes or pay reasonable rent for their occupancy, or move out.

Some Hon. MEMBERS: Hear, hear.

Mr. JAENICKE: They have not paid anything on them?

The WITNESS: No.

Mr. JAENICKE: How long have they been in?

Mr. GOLDING: Since about December 1946.

By Mr. Fleming:

Q. Did you make similar demands on them before the payments were made?—A. I think there was a request to each of them to sign their purchase agreements on the assurance that all defects that were noted would be taken care of by the department without any increase of the sale price.

Q. Was that done by letter?—A. I could not say whether it was done by letter in this case or by interviews.

Q. Well I suggest, Mr. Murchison, if there are any letters or memoranda of any kind that you produce them so we can see them. You can check your information on that and we will have more than an impression on it.

Now when did you decide you were going to undertake repairs? You say at some stage you undertook to make repairs and that the repairs are about completed.—A. Just bear with me a moment while I look this up. A detailed inspection was made of these houses either late in December or early in January of this year.

Q. That is just after the time you told us earlier that the houses were completed?—A. Yes.

Q. Yes, and at whose request or instigation was that inspection made?—A. At the request of our district superintendent at Toronto.

Q. And did he act on anybody's request?—A. He was under general instructions from me to see to it that defects in any and all of these houses were corrected just as quickly as it could be undertaken. We anticipated in every one of these houses that there would be certain adjustments required, depending on the standards of labour employed and the standards of materials required. We knew as soon as these houses were heated that some defection would occur and it was just a matter of departmental policy that these corrections be looked after as quickly as possible. That was the general instruction to our superintendents and it applied to an equal degree to these houses in Sarnia.

Q. Do you mean to say in these cases you acted in advance of the complaints from veterans?—A. I would not say whether it was before or just after, but it was shortly after the veteran went into occupation of the house.

Mr. BEAUDRY: Mr. Murchison, I would infer from one of your earlier answers, that due to pressure it did happen in some cases through anxiety on the part of the prospective tenants or owners, that they entered the houses when it was uninhabitable or when it was not fully finished, but your standards had to be complied with?

The WITNESS: Yes.

By Mr. Fleming:

Q. What you say in a general way regarding the standards applying all across Canada you would undertake to apply to these houses?—A. Yes.

Q. You said these houses were completed in December, 1946. That was your statement earlier this morning, that they were completed in December, 1946?

Mr. GLADSTONE: He said they were mostly completed in December, 1946.

By Mr. Fleming:

Q. He said they were completed in December, 1946.—A. Anyone who knows anything about construction, knows that a new house may be ready to move into, but when it is heated, and if the house is absolutely green, there are bound to be certain adjustments necessary, but in the meantime the house is quite habitable.

Q. If you are going to speak about these houses and not apply to them the same reference to your general experience across Canada, I want to be quite clear on it. I doubt in the light of some of your answers that you are prepared to be very definite about what you are describing applying to these houses. If there is any doubt in your mind I suggest you leave it and we will take it up in another meeting.

The CHAIRMAN: That is also a comment of the same nature the other members were making a moment ago.

Some Hon. MEMBERS: Hear, hear.

Mr. FLEMING: I think we have had a number of suggestions of this kind.

The CHAIRMAN: You are doing it now, and that is what the other people did a moment ago.

Mr. FLEMING: Very well, but we can tell the witness what we are requesting in the way of further information.

The CHAIRMAN: This doubt you express as to whether the witness should be able to answer or not is just a comment of the same nature to which you objected from other members.

Mr. BOUCHER: He made it as a suggestion but, in fact, it is a question.

Mr. FLEMING: The witness has made two answers not in harmony and I suggest to him before he becomes too positive that he should check.

By Mr. Burton:

Q. Mr. Chairman, may I be allowed to ask a question to clear up something in my mind regarding an answer given by Mr. Murchison. These houses as you stated previously were completed in December of 1946?—A. That is right.

Q. By that do you mean your departmental inspector or whoever was in charge had inspected and was prepared to make a settlement with the contractor on the contract?—A. He was not prepared to O.K. the final progress payment on the contract but I believe he was prepared to accept the house as being completed within the terms of the contract.

Q. That was in December?—A. Yes.

Q. That was what you had in mind when you said the houses were completed?—A. That is right.

Q. Then what was the reservation your inspector had?—A. The same reservation as we will have in all contracts. You like to hold a little bit back for hidden defects.

Q. That the contractor would be responsible for?—A. Yes.

The CHAIRMAN: Usually for a period of a month or two or three months before the final payment is made. That is in all government contracts as well as in many private contracts.

The WITNESS: Yes.

By Mr. Fleming:

Q. When was the last progress payment made to the contractor?—A. I could not give you the date.

Q. I would ask you to get that date if you will. Now in coming back with this additional information there is one thing I would want you to be quite clear upon, if you will, Mr. Murchison, and that is the date on which the decision was taken to undertake the repair work. I am going to suggest to you—

Mr. RINFRET: Do not suggest.

Mr. FLEMING: It is a perfectly proper form of questioning as Mr. Rinfret well knows.

By Mr. Fleming:

Q. You are going to get us the dates of the final progress payments and the report you referred to in reply to Mr. Burton's question made in December that preceded what you would call the completion of the houses in that month, and I think it would be well if you would complete that picture by giving us the dates of the payments all the way through, the dates of the progress reports indicating when payment was made in each case. Now I want to ask you some general questions, and one is suggested in part by Mr. Warren's question earlier, as to your experience with regard to costs and the degree of satisfaction that you had from the construction of the houses here. Did that degree of satisfaction compare favourably or unfavourably with your experiences generally elsewhere? Do you call this an extraordinary case in your experience under the Veterans' Land Act?—A. Yes I would, sir.

Q. You say this is particularly bad?—A. This was particularly expensive.

Q. Particularly expensive? Have you any reasons to give?—A. Delays in getting the necessary labour on the job by the contractor; delays in getting deliveries of materials; construction during winter conditions; and I will frankly concede in my judgment there was some lack of supervision on the part of the contractor and some lack of supervision on the part of our own people, the inspectors.

Mr. GOLDING: How did you find wages in Windsor district, compared with other districts?

Mr. FLEMING: Sarnia.

Mr. GOLDING: Yes, Sarnia.

The WITNESS: I cannot give a precise answer on that, but we were obliged to pay standard labour rates as authorized by the Wartime Labour Board.

Mr. GOLDING: There is a difference in wages in various districts.

Mr. PROBE: It might be better to get that by a table of the representative wages in the different districts.

Mr. FLEMING: Are you saying the labour costs in Sarnia are higher?

Mr. GOLDING: He is not saying that, I am suggesting it.

By Mr. Fleming:

Q. I want to get Mr. Murchison's comment. Are wages in Sarnia higher than in some of the areas where you have had construction work?—A. I would not say the rates were higher but there might be a difference in the efficiency of people who draw the same pay.

Mr. BURTON: There would also be a difference as to the amount of labour available in different places?

he WITNESS: That has been a difficulty that we have been faced with during the last two or three years, but everyone faces that difficulty.

By Mr. Fleming:

Q. Well Mr. Murchison, did you give any other contracts to the same contractor?—A. Yes, the same firm built one hundred houses in the Windsor area and eight at Chatham.

Q. What was your experience then in comparison?—A. They were less expensive.

Q. Less expensive. Would there be anything attributable to the selection of the site in explanation?—A. No, there was not.

Q. Did you give any contracts to this firm after December, 1946?—A. No.

Q. And what do you say about your experience with the other houses, in the light of your experience on the Sarnia township job?—A. That is a question I must be very careful in answering sir. We have not made final financial settlement with this contractor and I must be very careful as to what I say at this stage, in a public meeting, because there may be some litigation on these points before it is cleared up, and for that reason I wish to be excused from making any definite statement.

Q. I do not want you to say anything that is going to prove embarrassing to yourself or to the government if there is going to be litigation. You indicated a moment ago that you thought some blame attached to the officials of your department or to your own inspectors here.—A. Yes.

Q. I take it there was failure on their part to detect and report defects, is that what you mean?—A. Yes, they accepted work they probably should not have accepted.

Mr. WARREN: On that point, if you are putting in concrete in the winter-time it may look perfect but, as has been said, when you heat up the house, or even when spring comes, defects will perhaps show up.

Mr. HOMUTH: Good contractors can pour concrete anytime of the year.

Mr. FLEMING: Well Mr. Chairman, I would like to carry on.

Mr. HOMUTH: Even in forty below zero weather.

The CHAIRMAN: Order, order.

By Mr. Fleming:

Q. Continuing the questions, I would like to pick up the story again at the point where you spoke about the repair work being undertaken this year, in 1947. Now you are going to check up more fully on the date when that was decided upon and what led up to it. To follow that up, you did undertake work to put these places in proper condition did you not?—A. Yes.

Q. Was that done by contract?—A. I believe some of it was corrected by the prime contractor but mainly it was undertaken by contract labour under the supervision of a practical builder whom we engaged to supervise the work.

Q. When it was undertaken the department carried out the work itself?—A. The major part.

Q. In the case of the work done by the contractor was any charge made for that, or did he do that as part of the price?—A. He did that as part of the price according to my understanding.

Q. Are you in a position to give us the breakdown between the work the contractor did and the work undertaken by the department?—A. No, I have not got those details with me.

Q. Have you the amount of the cost to date of the work done by the department on these houses?—A. Approximately \$770 per house.

Q. Approximately \$770 per house,—that is roughly \$6,000 in the aggregate?—A. About that.

Q. Does that represent progress payments to date, the complete cost?—A. That represents a firm estimate on the completed cost.

Q. A firm estimate on the complete cost made by whom?—A. Our construction superintendent.

Q. Made by your construction superintendent, and how close to completion is he on the various houses?—A. According to my most recent information I believe the work, with the exception of the drainage of the project, that is the installation of new tile drains, is approximately 95 per cent complete.

Q. And when do you expect the balance to be completed?—A. Just as quickly as the work can be carried out.

Q. Are you in a position to say what type of work was done, to give a physical description?—A. Well there was a great deal of work done on the concrete floors, on the taping of the wallboard, on the adjusting of the doors, and I believe there was some work done on the furnaces. I believe there was considerable work done on the concrete floor slabs and probably some painting, a good deal of painting, carried out under expert supervision.

Q. Is that painting in addition to the original paint?—A. Yes.

Q. Repainting?—A. Yes.

Q. And all that is within a matter of six months of the alleged completion of the houses?—A. Yes.

By Mr. Jaenicke:

Q. And the department paid for that?—A. Yes.

Q. Would not the contractor be liable for that if it needs painting already? A. That is the point upon which we may have some serious negotiations.

Q. That would be faulty paint?—A. Not necessarily because in construction using dry wallboard which requires taping at the joints and corners, if there is any shrinkage at the corners it breaks the taping and therefore destroys interior decoration. It must be either painted over or renewed.

Mr. FRASER: The shrinkage of the wallboard and the floors occurred owing to the fact that green lumber was allowed to be used in the construction of the houses?

The WITNESS: Green lumber, and some inefficiency of the labour employed on the job.

Mr. FRASER: Well does your department, in all these buildings, allow the use of green lumber?

The WITNESS: We are in the position of using whatever is available.

Mr. FRASER: A contractor should never use green lumber.

Mr. BRADETTE: Houses would never be built at all.

Mr. FRASER: Yes, lumber can be cut and kiln dried in forty-eight hours.

Mr. FLEMING: Mr. Chairman, may I come back to my questions?

Mr. GOLDING: It has just got to be used.

Mr. WARREN: If there is going to be an argument on that I will give you an example.

Mr. FLEMING: I can see that we are going to have a lot of difference of opinion among the experts in this room.

By Mr. Fleming:

Q. Mr. Chairman, in my last question I used the wrong date. I said all this had occurred within six months of completion but actually we are talking now of a period after the completion of this work which amounts to only two or three months?—A. Yes.

Q. Now you did not mention any pumping in these additional costs. Did you include anything for pumping? I understand there was some sump pumping?—A. Yes, there was an error in judgment somewhere in the excavation of the basement for these houses. This particular land has a water-table very close to the surface. The foundations were excavated on an average of fifteen inches too deep and as a consequence there was a tremendous water pressure developed on those basements and a good deal of pumping became necessary. The only way that can be corrected, and it is under way at the present time, is to put in drainage on the project which will relieve the water pressure on the basement. A fully qualified drainage engineer is preparing plans. We know exactly what is to be done. The work would have been under way before this had it not been for the exceptionally wet spring but the plan has been developed and it is under way.

By Mr. Jaenicke:

Q. Whose mistake was it? Who made the mistake in connection with the basements?—A. I do not want to do any naming but it might have been the contractor who was responsible under this contract but it is probable that our building inspector or engineer must assume some of the responsibility, because he was there and he saw the basement excavated.

Q. Did the contractor contract to supervise the excavation of the basement?—A. No.

By Mr. Homuth:

Q. The cost of the drainage then, will be in excess of all other costs you have mentioned?—A. It will not be charged to the veterans.

Q. I am not asking that, it will be charged to the project?—A. That is right.

Q. Over and above what has already been charged?—A. That is right.

Q. Have you any estimate of the cost?—A. About \$2,500.

Q. For the whole project?—A. Yes.

Mr. GLADSTONE: How high is this land above the river level?

The WITNESS: I could not say as to that. It conforms to the general level of the land around Sarnia, which is not high above the level of the river.

Mr. JAENICKE: When were the basements dug?

The WITNESS: In the summer of 1945.

Mr. JAENICKE: Would the water not show up as that was being done?

The WITNESS: Apparently not, they were dug in the driest part of the year.

By Mr. Fleming:

Q. Is it not customary in cases of this kind, a project of eight houses, to have some survey of the water-table in advance, by the contractor?—A. Yes, I would say a good contractor would do that.

Q. Was that done here?—A. I would say evidently not.

Q. As far as you know was any check made on what he had done in that respect before the basement floors were laid?—A. I can only assume his work was inspected by the building inspector who was assigned to the project.

Q. You are saying, in effect, that the building inspector should have checked on that and should have caught it before it went any further?—A. Well of course if the grounds were dry, we are speaking about a condition that may

or may not have existed over two years ago, but if the basements were excavated and no water showed, I doubt very much whether any local building inspector would say the work was unsatisfactory.

Q. I am speaking about your departmental inspector when I talk of the building inspector?—A. Yes.

Q. Is that building inspector still with your department?—A. No.

Q. When did he leave?

Mr. GLADSTONE: Where does he live?

The WITNESS: I could not tell you.

Mr. FLEMING: I say when did he leave?

Mr. GLADSTONE: Where did he reside?

The WITNESS: I cannot answer that without searching our records. We have had about 95 per cent turnover in our construction staff.

Mr. HOMUTH: According to this project you should have had.

By Mr. Fleming:

Q. I would like to complete these questions if I can. This estimate you have given now of \$2,500 for pumping?—A. No, that is for drainage.

Q. For drainage. When completed will it provide these dwellings with dry cellars?—A. That is the purpose of it but I do not guarantee a dry basement anywhere.

Q. Maybe there are degrees, but in this particular case you obviously have undertaken something at government expense because you think the cellars were not properly constructed. Now are you telling the committee that, in your opinion, this \$2,500 expenditure will leave those cellars in good condition, or are you contemplating the possibility of further expenditure, government expenditure, on them?—A. I am depending on the expert advice on which this drainage plan is based. By the way the plan comes from the head of the drainage department at Guelph College.

Q. Now will you, with the other documents, produce the report of the engineer and his plan, Mr. Murchison?

When was any complaint first made by your department to the contractor about the houses,—that would include the cellars and other things which have been the subject of expenditure by the government and necessitate repair work?—A. It would be during January or February of this year.

Q. Yes, and can you give us the gist of what passed between your department and the contractor from that time on?—A. No. I have no correspondence of that nature with me.

Q. Was there any correspondence with the contractor?—A. I have none with me.

Q. Who would have if you do not?—A. The district office in Toronto, or the regional office in Windsor. I could search our files to see if there are any letters on that subject.

Q. You could get your files from the district office with any correspondence from the director?—A. Yes.

Q. Would you do that please?

Mr. GLADSTONE: The trouble with the doors and floors and walls would be mostly due to the green lumber.

Mr. HOMUTH: The floors were not made of lumber, they were made of cement.

The WITNESS: The framework of the house caused trouble due to unseasoned lumber. The basement trouble was due to water pressure but I do not think there was anything wrong with the quality of the cement.

Mr. PROBE: Were they water-proofed on the outside?

Mr. FLEMING: Mr. Chairman, I think we can leave the rest of the questions until we can get the documents.

By Mr. Rinfret:

Q. Did you have many applications for these eight houses from veterans?—
A. I could not answer that question because there are a great many veterans in Sarnia, like many other citizens, who are sorely in need of housing. It would be a guess on my part to say there would be probably one hundred veterans in Sarnia in need of houses of this class. There were only eight houses available and our standard procedure was to screen the applications and allocate houses to the veterans, who had the qualifications under the Act, having the greatest obvious need.

Q. Would you say these eight people were the lucky ones out of the number?—A. I would say so.

Mr. FLEMING: Lucky?

Mr. RINFRET: Would you find that out and bring it to the committee, and will you also find out how many veterans have applications in at the present time and who would gladly take the places of those eight veterans.

Mr. BOUCHER: You mean occupying the houses without paying any rent?

Mr. PROBE: Mr. Chairman, I would like to ask a question of Mr. Murchison, a question or two, supplementing those already asked.

By Mr. Probe:

Q. What are the factors considered by your department in the selection of the site for building? I believe, in my lay mind, that not enough emphasis has been put on that feature of the discussion, and possibly there is something wrong with the site at Sarnia. What features decide your purchase of land for building?—A. Well, for a project of this kind location is of paramount importance; that is, location relative to prospective employment. A small holding nine or ten miles out in the country where a man must depend on outside employment for most of his income becomes more or less meaningless, whereas if you located him on the fringe area of a large employment centre then location, of course, is a very important factor.

Q. I am not very familiar with your places here in this part of the country as to what constitutes a proper building site, and that is why I would like to know—drainage is a factor, did you take that into consideration in connection with the site at all?—A. Oh, yes.

Q. Well, is this land—for which you paid nearly \$300 an acre—a very considerable amount of it, 66 acres—located in a swampy area, a marsh, or is it level country there?—A. It is quite flat, like the land in that area. It is flat.

Q. And this land has not been let free to build in the past because of what might be unsuitable conditions for building?—A. This was farm land.

Q. Oh, it was farm land?—A. This is outside of the city limits of Sarnia.

Q. Well, there is another project, the Deschenes road project out here. I visited it and many of the features of the Sarnia project which are being discussed here are applicable to the Deschenes road project as well, as you perhaps know. What was the reason given by the architect or the builders, what was their attitude, what was the reason they built in an area of this kind; and, what precautions are taken in a case of this kind to make sure you have sound footings and underpinnings, foundation; what is the usual procedure here after you have selected a site to guarantee suitable conditions; what are the preliminary precautions taken?—A. I am afraid that I should have to call in an engineer to answer that for you. I am not a construction man.

Q. There is no preliminary drainage—or what preliminary drainage was there to overcome the difficulties that have been encountered with respect to the foundations of these buildings; I presume some precautions would be taken?—A. Yes, I would think so.

Q. And that was not taken into consideration by your inspector?—A. Not on that project.

Q. And apparently I think it was not in the case of this other one on the Deschenes road.—A. Well, definitely the Deschenes road project needs some additional drainage and provision has been made to provide it.

Q. To my inexperienced eye there is a portion of the Deschenes road project that I would not have selected for building on. Some of it looks all right but some of it seems to be definitely on swampy ground and swampy ground to my mind is not suitable for building on. Can you drain it at a reasonable cost?—A. We believe so.

Q. Let us revert for a moment to the contractor and his qualifications; what experience has this particular firm had—the Ryan Construction Company I think you called them?—A. The Ryan Home Builders, of Windsor.

Q. What qualifications did they have for doing a job of this importance?—
A. I believe they built a great many wartime houses in Windsor.

Q. With reasonable satisfaction?—A. I believe so.

Q. I know that in building there is not 100 per cent satisfaction, and they work under difficulties. I presume that this supplementary contract referred to by Mr. Fleming as having been given to the Ryan Construction Company—to build 108 or 100-odd other houses—was given to them before it was recognized by your department that they had through some circumstances done an inefficient job?—A. Yes.

Q. I see. We can't blame you on that score then. With respect then to the cost, which to me seems very high for all of these projects as compared with a similar one in my own city where we seem to be having reasonable satisfaction—I refer to Regina—when you let a contract did you indicate to the contractor where or at what price he is to acquire the materials which he uses, since it is cost plus work; it would seem to me that as business people you are going to give certain specific instructions as to the basis on which materials are acquired.—
A. That was done even in this case. I might say for the information of the committee that during 1944 after considerable difficulty I was able to proceed with the free purchase of some 20,000,000 feet of lumber.

Q. This was stock-piled by the V.L.A. or the board?—A. It was stock-piled by the dealers. And the lumber which went into this project at Sarnia was shipped from the firm of Hill, Clark & Francis of New Liskeard, to their local agent at Sarnia or Windsor at a price which was in keeping with the price which we contracted to buy the lumber at from Hill, Clark & Francis.

Q. Is this the wholesaler about whom you are speaking now, or was it retailed?—A. Yes, I believe their local agent was allowed to take a percentage of 10 per cent.

Q. Did that not suggest that this material, the lumber portion of it, was seasoned material?—A. It was not entirely green, and it was not fully seasoned.

Q. What about the mill work, was that green stuff, or was that also previously contracted for?—A. There was no previous contract for mill work.

Q. You have the usual labour cost stipulation; that is, the going wages of the district are to be paid? You made reference to the fact that the labour on this particular job might have been—you did not say it was, but you left the inference that it was perhaps inefficient labour compared to the labour in other construction work. Would you be in a position to table the labour cost portion of each of these jobs? I believe you have it that way. I think you have a breakdown of it that way. I think I have seen it on some of my sheets.—A. I believe we can furnish copies of the payrolls.

Q. I do not want the detailed payroll, just the aggregate payroll of the craftsmen employed. I think we could well table that. I would like it for comparative purposes because I have the labour costs on construction work in the other parts of Canada.

Mr. MURPHY: There is a return to the house on that.

Mr. PROBE: Oh, there is a return to the House on that? I did not know that. If we could have that for these eight houses.

The WITNESS: I do not remember whether the labour costs at Sarnia were included in the return we made for Mr. Murphy or not. I know there were two tremendous bundles of material.

By Mr. Probe:

Q. Mr. Murphy says he has that. It would not be too extensive to table, I presume; and, with that, could we have the aggregate labour costs?—A. We will endeavour to get that for you.

Q. I believe for purposes which I think the committee should have in mind we should be afforded material on this to make a comparison of the cost of the homes for veterans in the various parts of the country, and I am going to ask the chairman if he will consent as appropriate to this occasion if I would ask Mr. Murchison to put on the record comparative costs for the Regina area where they have had satisfaction with V.L.A. I am not upholding Mr. Murchison. I am not criticizing him at the moment; but the figures that we are given here and other figures with which I am not familiar, they are scandalous and out of proportion with other figures which I also have.

Mr. FLEMING: There is a return to an order of the House, requested by Mr. Murphy. It bears the date of February 17, 1947—Votes and Proceedings No. 13, sessional paper No. 135L. That has attached to it the average costs for each basic floor plan in each province and gives a breakdown of the average cost in all the provinces of Canada of the houses constructed by V.L.A. under the different plans.

Mr. PROBE: That might be useful. I have not seen it.

Mr. FLEMING: There are a number of plans other than the houses built at Sarnia included in this statement so that it would not give us an immediate comparison.

The CHAIRMAN: Would it give us the actual cost or the estimated?

Mr. FLEMING: It is giving the average cost of the average basic floor plan. They are given for each of the nine provinces. It gives the average cost of construction according to each plan.

Mr. PROBE: I had specifically in mind the Regina scheme, because the Regina scheme to the best of my information and from my inspection and the comments of veterans was a satisfactory scheme on the whole, and I would like to have that for purposes of comparison.

Mr. FLEMING: Mr. Chairman, could I file this with the clerk?

The CHAIRMAN: You might file it, but we will not print it.

Mr. PROBE: I simply want from Mr. Murchison, if he would, the name of the contracting firm on the Regina project, the V.L.A. project—there was only the one to my knowledge—the details of the total final construction cost per house to the contractor: his fees for the work, because I wanted to be able to make a comparison of the two areas; any extra cost on each house paid by the V.L.A. to the contractor or paid by V.L.A. supplementary to the contractor's charges; then, also, the cost per unit of the land on which the buildings were placed; whether on acreage basis or a lot basis—provided the described for dimensions and, finally, the cost of these to the veterans. I would like to qualify that in this way; that we would stick to the four types of houses that were

used, I mean built at Sarnia, then we would not need the detail for all the houses built in Regina, we could take the average cost for houses or these particular four types, I mean similar to those built at Sarnia, and compare them with the Regina project. I think that would be of value to the committee.

The CHAIRMAN: That would enlighten the committee and give the committee a basis of comparison.

Mr. PROBE: I think comparison of that kind would be valuable at this time because there may be other cases.

The WITNESS: I will be very glad to get that for you. I have some figures here with me this morning which I might let you have in the meantime. They answer largely the questions asked by Mr. Probe. These are the average house costs by provinces and by districts across the Dominion:

Location	No. houses built	Average cost
Vancouver	576	\$5,479
Alberta	280	5,230
Saskatchewan	80	5,184
Winnipeg	240	6,166
London	223	6,475
Toronto	721	6,365
Ottawa	148	6,155
Montreal	147	6,127
Maritimes	140	6,091

Mr. FLEMING: Are these the average of floor plans used at Sarnia?

The WITNESS: No, these were about 2,600 houses built across Canada.

Mr. PROBE: I would like to have it on the four Sarnia floor-plans, and I would also like to have the Regina prices.

The WITNESS: I am not so sure that all of those four plans were used at Sarnia. I would have to check on that.

Mr. FLEMING: Let us check on that first.

By the Chairman:

Q. Excuse, Mr. Murchison; when you referred to house cost, do you mean just the cost of construction of the building, or do you include in that the other items of the type we were discussing this morning, the cost of developing the property?—A. I mean just what I say, Mr. Chairman; it is the cost of the houses; and that would include the cost of connecting the water or the sewer or the septic tank, as the case may be. It does not include the cost of the installation of water mains, sewer mains and things of that kind.

Mr. FLEMING: It does not include the land and these items of overhead that we have been talking about?

The WITNESS: No.

By Mr. Homuth:

Q. Your figures for British Columbia would, of course, not include the tremendously high cost of the repairs that are being done on those houses out there; they would not include anything of that nature?—A. None of them do.

Q. Mr. Murchison, when you started the Sarnia project you bought 66 acres of land. You used four acres of that land, what about the other 62 acres?—A. Depending on future demand, we may use all of it.

Q. And in the meantime you are just holding it?—A. We are holding it because we feel that construction costs at the present time are too high.

Q. Is it being used in any way?—A. Not in any revenue way.

Mr. GOLDING: Mr. Chairman, I think that Mr. Fleming's request is a reasonable one and one which I think should be complied with; that is, to give the costs on the same type of houses in other districts as the ones built in the Sarnia district.

The WITNESS: How far would you want to carry the comparison?

The CHAIRMAN: Right through, for the same type of house.

Mr. BOUCHER: Give us Ottawa, Regina, Montreal and a few places like that.

Mr. FLEMING: Mr. Chairman, referring to the sessional paper (No. 135L)—which you ruled should be filed and not printed; I suggest it would be of interest to the members of the committee if they could have at least the table on the last page of the return. It shows the average cost for each basic floor plan in each of the nine provinces. I think it will be a good thing for the members of the committee to have that.

The CHAIRMAN: I agree with you entirely. When I first glanced at it I just saw this long list of names in it and I did not see any reason why they should be printed. We will have the table printed.

Appendix B—table showing average cost for each basic floor plan in each province.

Mr. BURTON: Mr. Chairman, we are drawing fairly close to the time for adjournment. Mr. Murchison has been on his feet for quite a while and I suggest that he be allowed to rest for a minute, and I am going to ask Mr. Fleming if it is his intention to call Mr. Cleave as a witness; and if so, I was wondering if he would be prepared to put him on this afternoon when we resume at four o'clock. I suggest that by examination of Mr. Cleave we would have a better background to this whole matter, and then Mr. Murchison returns at a later date he could table such information as he has an opportunity to prepare for the use of the committee.

The CHAIRMAN: I think that is an excellent suggestion because I am quite sure it will take Mr. Murchison some little time to gather and prepare the material the committee has requested.

Mr. FLEMING: I agree entirely that Mr. Murchison will require some time in which to prepare the material for which we have asked. May I say for the information for members of the committee that Mr. Cleave is one of the veterans concerned. I have not met Mr. Cleave, but I understand that Mr. Cleave is here, and he has come here from Sarnia and I think he would like to get back; and if the committee would consent to hear Mr. Cleave at four o'clock this afternoon it would accommodate him.

Mr. BURTON: That is what I thought we might do when we meet at four o'clock.

By Mr. Fraser:

Q. There is one question I wanted to ask Mr. Murchison; do they have septic tanks in these houses?—A. Yes.

Q. Then there must have been a survey made by your department as to the drainage for these tanks before they were installed?—A. Septic tanks properly installed don't require to have drainage.

Q. You have to have weepers; if the cellars are flooded now there must be some of that sewage seeping back into those houses?—A. I am afraid you are getting a little too technical for me.

The CHAIRMAN: Are you an expert on that, Mr. Fraser?

Mr. FRASER: I am.

Mr. STUART (Charlotte): Would it be possible to get the figures as to the rentals charged for houses of a similar type in this area so that we could compare it with the payments these veterans make?

Mr. PROBE: This is not on a rental basis, it is a question of purchase.

Mr. STUART (Charlotte): I know it is a question of purchase, payable over 25 years at so much a month. Just the same I would like to get the rental charge for a similar house in the locality.

The WITNESS: I can give you some information on that.

Mr. FLEMING: And don't forget that he has to make a \$600 down payment.

Mr. STUART (Charlotte): I know that, but I want to know what the veteran would be charged in the way of rental for a house of a similar type in that area.

Mr. FLEMING: And, of course, you mean in the same condition as these were in when the veteran took them over.

Mr. STUART (Charlotte): No, not in the condition in which they were when they were taken over by the veteran; I mean for the average house of a similar type in that area.

The CHAIRMAN: Are there any other questions?

By Mr. Stuart (Charlotte):

Q. Have you got that available?—A. Yes.

Q. I would like to have it.—A. I am reliably informed that the rental rates for houses built by Housing Enterprises, Limited, for houses of approximately the same type as this, built at Sarnia, are \$42.50 per month for the cottage size—four rooms and bath; and \$52.50 per month for the story-and-a-half size—five rooms and bath.

By Mr. Fleming:

Q. From whom did you get that information?—A. From Central Mortgage and Housing Corporation.

Q. How did you come to get that?—A. I inquired for it.

Q. On your own behalf?—A. Absolutely.

Q. When did you get that information?—A. About six weeks ago.

The CHAIRMAN: If members are allowed to ask questions I think administrative officers are also allowed to inquire from other departments for information useful to them.

Mr. PROBE: I think Mr. Murchison's table was not quite complete; can he include in the statement which he is to prepare for us the cost of the land in each of these provincial projects, and the cost of developing that land?

The WITNESS: Yes, we can do that.

Mr. PROBE: I believe that should be included in the table to give the complete story, that it should be all there.

By Mr. Murphy:

Q. Mr. Chairman, I have just one question I would like to ask: the figures you quoted, Mr. Murchison, gives the average cost of these houses, you emphasize that is the cost of the house only?—A. That is right.

Q. That would not include project overhead?—A. No. I cannot make it any more clear than I did; it is the cost of the house and does not include the land or land development.

The CHAIRMAN: Then, in preparing your statement, would you include, for my own satisfaction as well as that of Mr. Fleming and other members, the cost of what comes under the generic term "overhead".

Mr. FLEMING: You mean "project overhead."

The CHAIRMAN: "Project overhead", yes.

We will meet again at four o'clock.

The committee adjourned at 12.55 p.m. to meet again at 4.00 p.m. this day.

AFTERNOON SESSION

The meeting resumed at 4.00 p.m.

The CHAIRMAN: Gentlemen, we have a quorum.

Mr. HOMUTH: Just a quorum.

Mr. FLEMING: Are we going to call Mr. Cleave?

The CHAIRMAN: Yes, we have Mr. Cleave as a witness. He is from Sarnia, Ontario.

William Cleave, called and sworn:

By Mr. Fleming:

Q. I wonder if Mr. Cleave could stand over there, Mr. Chairman?

Mr. Cleave where do you reside?—A. I live at the V.L.A. project in Sarnia township.

Q. The one we were discussing this morning?—A. That is correct.

Q. Were you present this morning and did you hear the evidence of Mr. Murchison?—A. Yes sir.

Q. Are you a veteran?—A. I am.

Q. What service do you have?—A. Four and a half years, but my service was all in Canada.

Q. What age are you?—A. I will be thirty-one on November 6th.

Q. Are you married?—A. Yes.

The CHAIRMAN: Do you enjoy a veteran's preference?

The WITNESS: That is right sir.

The CHAIRMAN: Even although your service is in Canada?

The WITNESS: Yes sir.

Mr. COTE: I wonder if the witness would speak a little louder?

The WITNESS: I am sorry, gentlemen, my voice is a little weak, I realize that.

By Mr. Fleming:

Q. What is your present occupation, Mr. Cleave?—A. I am an accountant by trade.

Q. When were you allotted one of these houses in Sarnia township?—A. I moved in on November 12, 1946. I was allotted the house three or four days before that date.

Q. Were you told you could move in then?—A. that is right, sir.

Q. It was not a case of you rushing in before you were told the house was ready?—A. No sir.

Q. Do I take it you were told by the Veterans' Land Act people that the house was ready before you moved in?—A. I was told by Mr. Biggs, who was the veterans' officer, and he gave me the keys and told me I could move in whenever I wished.

Q. Did he tell you the house was ready?—A. Presumably, yes. They were not working on the house when I moved in.

The CHAIRMAN: Will you kindly speak a little louder?

The WITNESS: I will try.

By Mr. Fleming:

Q. You say they were not working on the house when you moved in?—

A. No sir.

Q. Was any work being done on the other houses after you moved in?—

A. Not until they started to repair the houses.

Q. That was this year?—A. They did some work, the contractor came back I think in the latter part of 1946 and did some minor repairs, such as painting a board here and there, or sticking a chunk of quarter-round over a crack or something like that.

Q. Did you sign a contract for the purchase of this house from the Veterans' Land Act?—A. No sir.

Q. You heard Mr. Murchison's statement that he thought two out of the eight veterans had signed contracts? Have you any knowledge of that?

The CHAIRMAN: The witness should not be able to answer for the others.

Mr. FLEMING: I think he knows.

The WITNESS: That is right.

By Mr. Fleming:

Q. You are not one of the two?—A. No sir, I am not.

Q. What was the reason for you not signing a contract?—A. Well the reason I did not sign is that in the first place I did not consider the houses were worth the money and there were considerable repairs required on the houses. Each time Mr. Parkinson approached us, he was the Veterans' Land Act representative from London, he told us they were going to repair the houses but he would not put it in writing.

Q. When was that?—A. That would be, oh I would say in the latter part of December.

Q. Well when you moved in I take it you did not have a contract?—

A. No sir.

Q. Did you make a payment of \$600 down?—A. That is correct. Before you could move in you had to send a certified cheque to the Department of Veterans' Affairs for \$600.

Q. And that was done?—A. That is correct.

Q. Do you know if the others did the same?—A. They were all required to.

Q. That was a matter of regulation?

The CHAIRMAN: Mr. Fleming, how can you ask questions from this witness about the others?

Mr. FLEMING: He may know.

The CHAIRMAN: Well he does not.

Mr. FLEMING: He has not said he does not know.

The CHAIRMAN: But he did not sign the other leases. He can talk for himself but he cannot talk for the others. He is not the chairman of a group and how can he know.

Mr. FLEMING: Mr. Cleave, to what extent have your affairs, that is the affairs of the eight owners in respect to the eight houses, been a matter of common discussion up there?

The WITNESS: Oh, we have talked all the time since we have been there.

Mr. JAENICKE: Just as a matter of procedure, I noticed that this witness was sworn. This is the first witness that has ever been sworn in a committee

at which I have attended and if he is going to give legal evidence he cannot give hearsay evidence. I do not know if that is the rule but why was he sworn?

The CHAIRMAN: The point is this. The witness can speak for himself but what can he know about the reasons affecting the others. You are a much better lawyer than I am Mr. Fleming, and you know in court that would not be accepted.

Mr. FLEMING: Well, Mr. Chairman, if evidence of that kind is being excluded I am bound to say this is the first time it has happened. You know these witnesses from government departments have been here from time to time—take Mr. Murchison—where he has been before us three times. We took his evidence the first time and it turned out to be all hearsay and had to be revised. He corrected it the second time. Now if you want to apply the rule, all right, but there has got to be some consistency.

The CHAIRMAN: I think it is an absolutely different thing when you ask Mr. Murchison whether he is informed on this or that at a certain time. But you should be more precise when you have a witness here who is in Mr. Cleave's position. The only idea I have is that you should ask what he knows personally. I am not trying to prevent you from asking any questions on which he has knowledge but it is not right to ask him what was the feeling of the others.

Mr. FLEMING: I did not ask him about the feeling of the others.

The CHAIRMAN: You asked him why the others refused to sign and could he answer?

Mr. FLEMING: He can if he has the knowledge.

However, let us go and we will come back to this matter again.

By Mr. Fleming:

Q. You have indicated the reasons you refused to sign and referred to a regulation required that there be a down payment of \$600 before you got possession. Now you got into possession in November?—A. That is right.

Q. The contractor was Ryan Home Builders Ltd. and they came back to do a little work, a little painting and so on, in December?—A. That is correct.

Q. Now when, if at all, did you first make complaint to the Veterans' Land Act about the condition of the house that had been assigned to you?—A. That is a hard question to answer, sir, because there were Veterans' Land Act representatives and inspectors—I do not know who they were—but they came through there by the hundreds after we moved in. They would come around and ask you what was wrong with the house and make notes, and the very next week there would be another gang around making notes again, but practically no action whatsoever was taken. I think to really getting down to making a complaint to the Veterans' Land Act, it is not just when the men came around, it would be at the time Mr. Parkinson contacted us to sign our contracts, which I believe was in the latter part of December.

Mr. BURTON: Would you allow me to interrupt? You do not really mean "by the hundreds"?

The WITNESS: It was over a hundred, I will bet that. Counting the workmen, the inspectors, the Veterans' Land Act representatives, and so on, who came through the house, there was well over a hundred.

The CHAIRMAN: Apparently they were very keen in making you comfortable and inquiring if you were well before you complained?

Mr. JAENICKE: Was that before you complained?

The WITNESS: No, they came quite frequently. There was somebody there practically every day of the week from the time we moved in until about roughly three weeks ago, when the workmen presumably completed the repairs,

but since then there has been nobody there that I have seen myself. My wife has mentioned there were a couple out yesterday but they did not go through the house and there has been nobody around of any account in the last three weeks. The workers left, the contractor left, and the Veterans' Land Act representatives overseeing the work left three or four weeks ago.

Mr. JAENICKE: When those workers or supervisors were going through, did you discuss with them whatever you thought was wrong in the house?

The WITNESS: We pointed out everything so many times that—well our wives were getting fed up. They got to the point of refusing to allow anybody else in. The people had no regard for the floors and came in in muddy weather, which it was all the time in the fall and spring. They never took off their rubbers or anything.

The CHAIRMAN: You say "in the fall" but you moved in in November?

The WITNESS: On November 12, 1946.

By Mr. Fleming:

Q. You indicated that when Mr. Parkinson came around that you made something of a formal complaint to him about the place?—A. At the time he met us there was six of us. There were only six houses occupied at the time Mr. Parkinson was there.

Q. I think you said this was December?—A. This was the latter part of December or early in January, one or the other, and one fellow refused to sign. He told Mr. Parkinson he was moving out, and Mr. Parkinson met the other five of us at one of the fellow's houses to present our contracts to us, at which time we all refused to sign except one fellow. Mr. Parkinson had contacted one of the fellows at his place of business that day and he saw the rest of us that night. The fellow whom he contacted during the day at the office signed and one of the other fellows signed that night. It was left this way. We were supposed to be given a week in which to make up our minds so we told Mr. Parkinson if we did not let him know by the following Monday, then nobody was going to sign. He was supposed to come down and see us again and present the contracts and there would be somebody to sign them. On Saturday, Mr. Murchison and Mr. Woods were going to be in Windsor, so two of us took a trip to Windsor to find out what was happening down there.

Q. Did you see them?—A. Well we did see them but we did not talk to them. They were just on an inspection tour and they had no comments to make.

Q. Excuse me, did you have a chance to tell them your story?—A. No, we did not that day sir.

Q. Yes?—A. Mr. Parkinson apparently saw our pictures in the paper on Saturday evening and he called up one of the fellows about 9 o'clock on Saturday night.

Q. When was that?—A. I think it was a Thursday night, towards the latter part of December that he presented the contracts. On the following night he called up one of the fellows and he was quite put out that we had gone to Windsor and that we were causing trouble. He told us if anyone wanted to sign our contracts we could come up to London and sign them. Consequently we went no further to notify him not to come down with the contracts on Monday and he never showed up.

The CHAIRMAN: And you did not go to London?

The WITNESS: We did not go to London, no.

Mr. FLEMING: Very well, what was the next step?

The WITNESS: I believe the next step—

The CHAIRMAN: May I ask a question there. About what period do you say you complained officially to Mr. Murchison? That is one of the questions Mr. Fleming asked?

The WITNESS: Shortly after that, within the next few days, we wrote a letter to the Minister of Veterans Affairs. Now I am not sure whether I have a copy of that letter but in that letter we pointed out our reasons for not wanting to sign the contracts, which were to the effect that when Mr. Murchison and Mr. Woods were in Windsor, they intimated to the fellows in Windsor that unless the houses were completed and the actual repairs were done they would not be asked to sign.

Mr. FLEMING: When you speak about the fellows in Windsor, you mean the men allotted to Veterans' Land Act houses on the project there?

The WITNESS: That is right, the men in Windsor. We pointed out to the Minister of Veterans Affairs and explained to him we thought we should be given the same consideration because at the time Mr. Parkinson contacted us he told us if we did not sign within a week we were to lose our back rent. We had to pay back rent from the time we moved in, and, if we did not decide to take the houses over in two or three days, that money would be lost to us. In any event we had to move on the first day of May to a rental basis. So we got a letter written back. It was written for the Minister of Veterans Affairs and the letter told us a report would be prepared and we would hear from him later. To date we have not heard an answer to that letter.

Mr. COTÉ: What were the dates of the two letters you referred to?

Mr. FLEMING: Is this the letter you refer to written on behalf of the minister Mr. Cleave?—A. This is the reply of the minister, signed by Mr. Senior, executive assistant. This letter is dated January 23, 1947, and it says:

This acknowledges letter of January 20th, addressed to the Minister of Veterans Affairs and signed by yourself and three other veterans. A report is being asked for in order that the minister may reply to your inquiry.

Q. Have you got a copy of the letter you wrote to the minister to which this is a reply?—A. I believe it is over there. No, I have it here, sir. It reads as follows:

January 20, 1947.
Sarnia, Ont.

The Minister of Veterans Affairs,
Ottawa, Ont.

DEAR SIR: On January 15, Mr. G. H. Parkinson of your London office interviewed the occupants of the homes in the McNally-Durance subdivision of the V.L.A. project in Sarnia, Ont. He read part of a general directive from Ottawa and asked the various veterans to sign the final contracts for taking over their homes.

You no doubt are aware that there are a good many faults in these houses, largely due to poor workmanship on the part of the contractor. These particular faults have been brought to the attention of representatives of both the contractor and the government on many occasions in the past, but to date comparatively little action has been taken to remedy them.

Although Mr. Parkinson assured us that these faults would be corrected, it was felt by the undersigned that a list of the minimum repairs required for each individual house should be signed by an

authorized government official and given to the occupant as a guarantee that the work would be done. Mr. Parkinson stated that this request could not be granted.

Since that date we have been informed that Mr. Gordon Murchison, Director of V.L.A., stated to the veterans in Windsor, Ontario, that they would not be required to sign until such time as the repairs to their homes had been completed to the satisfaction of the occupant. In view of this we feel that possibly Mr. Parkinson misinterpreted the instructions from Ottawa, and that naturally, we will not be required to sign until the repairs on our houses have been completed as is the case in Windsor.

May we have the above clarified at your convenience.

Yours truly,

(sgd) S. V. ANTENBRING
(sgd) W. T. CLEAVE
(sgd) R. K. TIMS
(sgd) W. H. PICKETT

CC Mr. G. H. PARKINSON
London, Ont.

Reply to W. T. CLEAVE
Pt. Edward, Ont.

By Mr. Beaudry:

Q. Mr. Chairman, would the witness mind clearing up a point on which I am not quite clear? He mentioned a moment ago some alternatives which were discussed at the time when the contract was proffered to them. The alternatives are not clear in my mind. Would you mind telling us what they were?—A. Well, here are the alternatives; one thing we could do was to sign our contract and commence payment as of the first of February, 1947. We were told we could move out within one week at which time the \$600 down payment which we had made would be refunded to us, less any depreciation or what-you-may-call-it that had happened to the house since our occupancy. This was to be determined by the government. If we did not move out within a week we were presumably going to be charged rent from the time we went into the homes; and, in any event, we had to vacate the houses by May 1, 1947.

Q. You were going to be charged rent from the time of your original occupancy up until the first of May?—A. They didn't mention that specifically, but presumably we would be charged the rentals set by the government; and our \$600 that we had put up as a down payment would be refunded to us, less this depreciation.

Q. At what amount was this depreciation to be set?—A. The only thing that I could give you on that is that one of the fellows that signed a contract wrote a letter I think to the Minister of Veterans Affairs. I haven't a copy of the letter although I did see it—asking for a cancellation of his contract. He received a reply in which they asked him to reconsider his withdrawal and they pointed out to him that if he did get a cancellation of his contract he could be charged rent, and the rent which the government or Veterans Affairs had tentatively decided on was 7 per cent on the land and 10 per cent on the value of the house. Now, I figured that out on my house, on the value they set on the house, and it came I think to \$63 and some odd cents a month rent.

Q. But you personally had no direct information as to what the government would have asked you to pay in the form of rent?—A. No, I have no information as to what the rent would have been, aside from that.

By Mr. Fleming:

Q. That case you spoke of was one of the veterans who had signed a contract?—A. That is right.

By the Chairman:

Q. You mean 10 per cent of the payment?—A. No, that would be based on 10 per cent of the cost of the house and 7 per cent of the cost of the land.

By Mr. Fleming:

Q. That would bring your statement down to I think the 23rd of January, around that?—A. That is correct, sir.

Q. Just carry the issue down from that point, Mr. Cleave, in your own words, will you?

By Mr. Case:

Q. Might I interrupt for one moment? You say the letter was signed by yourself and four others?—A. Three others, four of us signed it.

Q. And that represented those who were having difficulties?—A. There were only six of the eight houses occupied at the time when we were approached to sign these contracts. No, there were only—there were, just before they came together and asked us to sign the contract one of the fellows had moved out and a new fellow had moved in, but that still left two vacant houses. There have been two vacant houses there all the time; outside maybe the week of overlap.

Q. That means then that this letter was signed by four of the six occupants?—A. That is right.

Mr. FLEMING: Very well then, we will just take it from then on, from the 23rd of January.

The WITNESS: I think the next step was when we got in touch with our local member, Mr. J. W. Murphy, our member of parliament.

The CHAIRMAN: About what time was that, about what date?

The WITNESS: It must have been around the first of February, around in there I guess. It was the first part of February anyway. And we presented our case to Mr. Murphy and told him what our troubles were and he kindly came out and looked at the houses himself and a couple of contractors and then he went to Ottawa and brought it up on the floor.

Mr. FLEMING: I can give you the date of his speech . . . February 4th.

The WITNESS: Well then, it must have been in the latter part of January. Only about a week or so elapsed from the time we wrote this letter.

By Mr. Fleming:

Q. Well, now, just to complete our information up to that point when Mr. Murphy took the case up in the House of Commons, would you give the committee a description of the defects in the houses, as you saw them?—A. Well, they are quite varied. I have a list here of some of them in my house. Water in the basement, which was discussed this morning.

Q. How much water?—A. I had two electric sump pumps running ever since the break-up. I won't say ever since the break-up. First there was a water sump pump in for one month. Then they came in and put in an electric pump and that ran right through until about, I would say, about the first week in June—both running—then one shut off, and on the 20th day of June my last pump shut off and has not been running since.

Q. Did the V.L.A. put the sump pumps in or was it the contractor?—A. No, it was done at the time they were—I mean the contractors were there.

Q. Just go on with that . . .

By Mr. Beaudry:

Q. You say these pumps continued to operate until some time in June of this year?—A. The 20th day of June the last one shut off. One of the pumps was running until then.

Q. Was that because there was no further need?—A. That is correct, the water level got below my basement floor then.

Q. When did the pump start operating?—A. I forget, in the spring of the year. I suppose it would be in March, I am not sure.

By the Chairman:

Q. And up to March your basement was not flooded?—A. That is correct. When we went into the house last fall the water level I would say was about six or eight inches below my basement floor. Right now it is about one or two inches, just below the basement floor. The floor is still damp but the water is not coming in.

Q. When you came in there was no water?—A. That is right.

Q. It just started in the spring of the year?—A. Around the time of the breakup, I presume that was in March.

By Mr. Fleming:

Q. How do you detect the water level?—A. Well, the sump pump is placed in a hole which is made in the basement floor and you can see the water level in that.

Q. And you can see down through the hole, can you?—A. It was there when I moved in in November but it was completely cemented in, the one they had was a water pump. It was roughly about a foot square. When they put in another electric sump pump, which they did in the spring of the year after the water started to come into the basement, they had to make a bigger pump hole. They put in a big sump pump. They tore a hole in the basement floor and the water came up like a fountain, it put about a foot of water in my basement in about fifteen minutes and they immediately rushed around to get a gasoline motor pump—I do not know what its capacity was, but it had a tremendous capacity—and started pumping the water out of my basement and it took four or five days.

Mr. BEAUDRY: I do not think the witness in answering Mr. Fleming's question as to the state of affairs which they found quite got the point Mr. Fleming was trying to make.

By Mr. Fleming:

Q. Could we get on with that, Mr. Cleave; can we continue with that particular set of conditions of which you complained and because of which you declined to execute a contract?—A. Yes. I am sorry I got away from that. The water was one of the things we complained about at that time.

Mr. GLADSTONE: Mr. Chairman, would it not be well now completely to cover the matter of water in the basement while they are on that point?

Mr. FLEMING: We can come back to that. I think Mr. Beaudry's point was well taken, that we should deal with conditions as they were at that time and follow it through.

Mr. STUART (Charlotte): Do the V.L.A. pay for the installation of the pumps?

The WITNESS: That is correct. But they did not pay the hydro bill.

By Mr. Fleming:

Q. Will you give us a description, outline some of the things in the way of repairs and so on that led you to refuse to sign the contract in January?—

A. The interior decoration. I do not know whether you know it or not, but the houses have been finished inside not with plaster but with plaster board, and the plaster board requires joint taping and filling, which is very poorly done, even to the nail holes—in my house they showed like someone had squirted the walls all over with oil from an oil can. It was a very bad job.

Q. And you mentioned earlier that after moving into the house after November 12, three or four days later, but after you had been allotted the house the contractor came back in 1946 at your request, did he?—A. I think it was at the request of the V.L.A. representative from London who came down, and they had asked us what our complaints were and I think he contacted the Ryan Construction Company, or the Ryan Home Builders, and had them bring some workmen back who were supposed to do this repair work.

Q. Was the type of work they were supposed to do repair work or building work?—A. It was definitely repair work, not building.

Q. Can you give us the nature of the repairs?—A. Yes. For example, the doors did not close. Another example, my bathroom sink started to come off the wall, so they took some plaster of paris and filled the crack in behind; and there were some cracks along the doorsills and they filled those with plaster of paris. There were big-headed nails driven into the hardwood flooring and they attempted to countersink them and in countersinking them split the flooring; and they puttied up cracks in the chimney. In one of the houses the kitchen cupboard has started to settle, it had settled about a half an inch or more so they moved the quarter-round—they didn't move it, they hit it with a hammer and knocked it down flush again.

The CHAIRMAN: Was that the time you moved in, around the 12th of November? About what time would that be?

The WITNESS: This would be during the latter part of December and in January, I would say.

By Mr. Beaudry:

Q. This would normally have been the type of work that would have been necessary and probably would have been obvious to everybody if the house had been allowed a month to settle instead of you moving in as soon as it was habitable.—A. No, sir. There were two or three of the fellows who were in those houses for a month or two months before I moved into mine. Naturally the interior decoration, and so on, was there when we moved in. That had not changed, but as to this bathroom sink I was telling you about in my house that happened after I moved in. It would not have mattered whether the house had settled for six years.

Q. When you moved in did you notice the state of the doors you complained about?—A. Yes, I noticed it. I knew some of the defects but there were other defects which I did not know. I assumed that seeing as the house was built by the government for veterans that there was not any reason for me to go and inspect every little thing minutely because we believed they were properly constructed.

By Mr. Burton:

Q. But you did go out and inspect the house and look it over before you went in?—A. I had been through the house.

Q. Did you notice anything then?—A. I had noticed the interior decoration was not what it should have been, but there were a lot of other things I did not look for. It was a brand new home built by the government for the veterans, and I figured they would have done a good job.

By Mr. Beaudry:

Q. Yet some of the defects were so obvious that you could not miss them? Take the doors, for instance?—A. Yes, the warped doors. There are two warped doors in my house which I knew were there when I moved in.

Q. You moved in under the assumption those would have to be repaired?—A. That is correct.

By Mr. Case:

Q. Who was with you when you made your first inspection, your preliminary inspection before you moved in? Who accompanied you?—A. No one. I merely went in to see the veterans officer in Sarnia. I told him I was interested in purchasing one of the houses. He said, "There are two vacant out there. Here are the keys. You go out and look at them." I went out and looked at them and came back and told him which house I wanted.

By Mr. Jaenicke:

Q. You went out and looked at them?—A. Yes.

Q. Were you then told just about what the price would be?—A. Yes. I was told then the price would be \$7,800 and some odd dollars. I was informed of the price at the time.

By the Chairman:

Q. After you had inspected the house?—A. That is correct.

Q. At that time you were willing to pay that for it?—A. Yes.

Mr. PROBE: May I interject at this stage? Is the witness sufficiently expert in building matters that he would be able to make anything but a superficial inspection?

The CHAIRMAN: As any new owner would.

The WITNESS: I am not a contractor or a builder, and I did not know. To-day I have a better idea of what to look for than I had then.

By Mr. Beaudry:

Q. I should like to ask a further question. It follows from that when you did move in you knew that some repairs had to be made?—A. That is correct. I was not even certain they would be made. About the only thing I noticed was a couple of warped doors and that the interior painting job was not what maybe ten or fifteen minutes one evening after work.

Q. But you were under no false impression; you knew you were moving in a house where some repairs were obviously needed?—A. Mr. Biggs informed me they had not come back to do any repair work, and he understood there would be minor adjustments that would be fixed up at a later date.

By Mr. Jaenicke:

Q. Did you notice the nails in the hardwood floors?—A. I did not, not at that time.

By the Chairman:

Q. You could have spent more time had you wanted to than that 15 minutes?—A. I could have spent two or three days if I had wanted to.

Q. After 15 minutes you thought you could take the house, and at that time assuming there would be repairs made you believed the price would be all right, since you took it?—A. I do not want to bring up personal affairs, but at the time I took that house this was the situation. I had been out to the

project in the middle of the summer and had looked over the homes and had a rough idea of what they were going to cost. At that time we had definitely decided we would not take one, but as it happened we were living in a two-room summer cottage with a sun porch on it which was glassed in, and it had no foundation under it. The floors were very cold, and so on. My little girl woke up one Sunday afternoon crying with pains in her legs. Naturally we were afraid of polio, which everybody thinks of. We called a doctor. The doctor came out and informed us that she had rheumatic pains. He said it was not rheumatic fever but it would definitely develop into that unless we did something about it and, of course, he recommended moving out of where we were living. I guess the housing condition is the same in Ottawa as it is in Sarnia. It was impossible to find anything else. I knew I could get one of these homes so I got it. That was my reason. Everybody else living out there took them more or less against their better judgment but they had to have houses.

By Mr. Fleming:

Q. You were cataloguing a number of things that you said were wrong with the house at the time of the exchange of the correspondence in January. I do not think you had finished when there were some other questions.—A. Well, the paint job and the plastering and the taking of the joints. I mentioned that. The windows have not been fitted properly into the sashes. They leaked rain in a bad wind storm. They told one of the fellows there they did not leak with storm windows on but he said, "Am I supposed to leave the storm windows on all summer"? That was one of the contractor's workmen who said that. As to my stairway they spray-painted the house inside. The stairway is boards which have been stained and varnished, but they neglected to clean off the spray spots before they varnished. Consequently I have a lot of light paint on the stairs. It looks just like the painters had moved out yesterday and did not get around to cleaning it up. It cannot be cleaned without being sanded.

Then there were the warped doors. There was plywood that was broken in one bedroom upstairs. The bathroom sink was coming off the wall. The floors were very badly done with big-headed nails showing through which naturally you cannot resand while they are showing through.

Q. What about the chimney?—A. You can hold a match up to any place practically in the chimney—I will bet in my chimney there are fifty places from the top of the house to the ground—and it will suck the flame off the match. They tell us the chimneys are lined. I do not know, but I cannot see how they would suck air if they are.

Q. What about the sub floors?—A. There is plywood in the kitchen.

By Mr. Warren:

Q. Before you leave the chimney, is there tile inside the chimney?—A. They tell us there is, but we cannot figure out if there is tile there how it is that it will suck air through the cracks in the mortar.

Mr. STUART (Charlotte): It would be easy enough to see if it is tile lined.

The WITNESS: You can climb up and see that there is a tile at the top.

By Mr. Case:

Q. Do you get a good draft for your furnace?—A. Yes, there is a good draft in the chimney. There is no fault with that. You were talking about the sub-flooring. There is plywood flooring in my house upstairs and in the kitchen downstairs. The sub-flooring which you can see in my kitchen is slats one by six placed twelve inches apart. I am only talking of a house similar to mine where they had to break in to get at the water pipes. They had to tear out some of the ceiling upstairs, and I saw there that it was the same sub-floor upstairs

under the plywood as there was downstairs. I presume it is the same in my home and the rest of them so far as I know, but you cannot see what is in the upstairs without tearing some of the wall or ceiling out to look at it.

By Mr. Fleming:

Q. Was it a full sub-flooring?—A. No, there is a full sub-floor just under two rooms in my house, but underneath the kitchen and the upstairs it is only a slat sub-flooring one by six placed twelve inches apart. That is the sub-flooring. I know when they were putting my electric range in they were drilling a hole to put a cable through and one fellow downstairs hollered up to the fellow upstairs to watch out where he put that drill or the stove would be coming down. That is what it looked like. There are boards one by six and they are twelve inches apart. That is the sub-flooring underneath the kitchen.

Q. What about the beams and joists?—A. In my house you cannot see the bathroom upstairs, but in all of the houses that have the bathrooms downstairs, which I believe is in every house except one like mine, they cut off the floor joists and put in headers when they put the plumbing in. When they put the hot air pipes through in all of the houses they cut the main beam half way in two. As you know the main beam is square. They started at the bottom corner and came out at the top corner to put in the hot air pipe which means they have taken away at least half of the support of that beam.

By the Chairman:

Q. You have seen that yourself?—A. Yes.

By Mr. Fleming:

Q. Does that complete the enumeration of the defects in your house at that time? I am speaking of January now.—A. Yes. They promised us light fixtures which we did not have.

Q. Did you not have any light fixtures?—A. No, sir, just the porcelain socket to screw the bulb in. That is all that was there. They also talked about landscaping. Of course, at that time we realized they could not landscape. Then they told us they were not going to landscape them. They had some arrangement made where they were going to give us \$140 and we could do the landscaping ourselves. I do not know anybody who has done anything with their landscaping who has got it done at that price. It will cost you \$500 or \$600 to get a place that size landscaped.

Q. You were told this morning there was a definite charge made for landscaping.

By Mr. Burton:

Q. Before you go on with that do you know whether your house is insulated?—A. One of the workmen told me my house has two inches of rock wool in the walls and in the ceiling. It has now. When I moved into the house I did not, of course, inspect the house to see if it was insulated. One of the other fellows looked up in the attic to see if there was any insulation and it was all piled down in the far end of the attic and had not been spread. He spread the insulation himself. He told me about it and I got up in my attic and looked in my attic.

By the Chairman:

Q. Try to tell us what you have seen yourself.—A. In my house?

Q. In these other houses, too, if you have seen it.—A. I saw that, too, but there was no insulation in the attic of my house up until about a month and a half ago when they did put it in.

Q. That two inches of rock wool in the ceilings and the walls was not there?—A. Presumably it was in the walls. I do not know. I have only been told by the workmen it was. It was not in the ceilings at first but it is now.

By Mr. Burton:

Q. Did they put that in after you had drawn it to their attention?—A. I drew it to their attention about two or three weeks after I moved in and it was put in a month ago or maybe six weeks ago.

By Mr. Warren:

Q. Before you get too far away from the flooring, do you mean to say all the flooring is nailed down with large headed nails or just the occasional nail here and there?—A. I do not know how the floors were laid in my house. It appears they started in the centre of the floor and there were two boards nailed down the centre of the floor with big headed nails through them all the way through my living room, through the hall and into the other room, and all the way through the other room. In the hallway as to the landing right at the bottom of the stairs there were all kinds of boards with big headed nails in them and also in other boards as well.

By the Chairman:

Q. Was that hardwood?—A. That is in the hardwood floors. Talking about the hardwood floors the workmen were out there and when they tried to counter-sink the nails they split all kinds of boards. There were two or three of them that were past filling so they had to replace them. The workman was out there to put in some new boards in the floor. He took out the boards and shoved his hand under the floor like this and raised the hardwood floor up like that.

By Mr. Fleming:

Q. You are waving your hands but that cannot go on the record. To what height could he move the floor?—A. I do not know. He pushed his arm underneath the floor and lifted it up an inch or two inches. Since then I was talking to one of the fellows who worked laying the floors. He informed me—I do not know this—at the time the floors were laid they laid five or six boards down, pushed them together with a crowbar and then nailed the last board, and then laid five or six more and pushed them together with a crowbar.

By Mr. Burton:

Q. Hardwood floors?—A. Yes.

By Mr. Fleming:

Q. I asked about the septic tank.—A. My septic tank shortly after I moved in stopped operating. Of course, the breather pipe off the tank is in my front lawn, and it started to overflow in my front yard. I could not have that so I went into town and I saw the veterans officer. He said, "The best thing you can do is to get a plumber to fix it and see about getting the bill paid afterwards". I went down to a plumber and had him come out and fix the septic tank. At the time he took it up he found that tank was tipped the wrong way. It was tipped towards the house instead of away from the house, and that some of the insulation off some of the BX cable they were using in the wiring had got down when the workmen were there and plugged it.

Q. What did you do about the bill for the plumbing?—A. I was not going to say that, but at the time I told them it was a V.L.A. house and presumably the V.L.A. was going to pay for it, but anyway they had to have an order from me. I signed the order for the bill or, at least, for the work to be done. I think

the bill amounted to \$18 and some odd cents so I asked them to send three copies of the bill to the Veterans' Land Act, the Department of Veterans' Land Act in London which they did. I have not asked them within the last week or three weeks but I know up until a month ago that bill had not been paid yet. That was, I believe, the first part of December it was dug up.

Q. You have given a description of the house in January when that letter was written by yourself and the three other owners—that letter should not have been taken away?—A. It was written I believe on January 20th.

Q. Did you have occasion to see with your own eyes the condition of the other houses in this group of eight at the same time?—A. Yes, sir, I have been through the others many times.

Q. Will you describe the conditions of these other houses at that time, still late in January?—A. Now, the houses, the faults in my house are general for all the houses except there are some odd ones in the others. There is one house next door to me and the rain leaks in the top window and runs down on the wall. Apparently they left the tin flashing out of the top of the window.

By Mr. Gladstone:

Q. Is there a house number there?—A. No, sir, we are living out in the country. The houses are numbered from one to eight and I live in house No. 7.
Mr. HOMUTH: Swamp No. 1 Sarnia Township.

By Mr. Burton:

Q. You said you had been in all the houses?—A. Yes, I have been through them all.

Q. Are you here to-day representing the others? Did you have any discussion with them and did they ask you to speak on their behalf?—A. They were not—I did not get the notification in time to even get around and see all the fellows. I did talk to them all except one and tell them I was coming down to Ottawa. We have talked so much about this. They knew I was pretty familiar with the faults in the houses. I did not get any authority from them to talk for them, no.

By the Chairman:

Q. You have visited the houses yourself?—A. I have been in the houses many times.

Q. I think Mr. Gladstone's question was directed towards asking you to speak of the houses by number?—A. My own house is house No. 7.

By Mr. Fleming:

Q. The one you mentioned, the house next door?—A. House No. 8, which is the one next door to me has practically all the same faults as mine. They won't have the loose bathroom sink. Their water situation of course which is not supposed to be in here, is the same as mine. Their walls were the same; their floors were the same and they have this one window which leaks at the top with any kind of rainstorm that comes from that direction. Their bathroom tub—apparently the workmen stood on the edge of it with hobnailed boots while they were putting on the plaster board in the bathroom. It is terribly scratched. There are no light fixtures there, of course. The seams in the wall show through.

By Mr. Gladstone:

Q. What do you say about the roof?—A. The roof of the house, the roofs are asphalt shingle. I am not sure of the weight but I do not imagine they are 210 pounds a square, because during the war I do not believe that was available but they are asphalt shingles. They look to be fairly good shingles.

Q. Any trouble with leaks at all?—A. There has been no leaking roof so far. We had quite a severe wind storm in the spring of this year. Those shingles were put on in the summer time and should have been cemented down by now. We had quite a wind storm in the spring of the year and the shingles on every house except one—this house happened to be sitting the other way to the wind—the shingles on every house except one turned up. This one house had a line all the way across the roof on one side of shingles turned up and mine had only a few shingles across the top peak turned up, but every house has shingles turned up except the one.

Q. Did they remain turned up?—A. No, they came back down.

By Mr. Warren:

Q. Were the shingles put on in the cold weather?—A. No, they were put on in the hot weather and should have been cemented down by now.

By Mr. Fleming:

Q. Would you just complete your review of the houses?

By Mr. Gladstone:

Q. Any trouble with the septic tank in the house next door?—A. No, they have had no trouble with the septic tank. In house No. 6, their upstairs window leaked water. The water pours under the front door, which they were supposed to fix. The other day I had occasion to be in the house and the house was flooded. It has ruined the hardwood flooring. His kitchen cupboard has sunk away, sunk down from the wall a good inch. You could stick your finger underneath the quarter round and that is the house where they pounded the quarter round down to meet it. When we came to find out why the sinks were sinking, sinks the size they are, they are the large double sinks and they have two parts to the sink; they have the deep well and the shallow part. They are quite heavy. Contractors have told me they are supposed to be built in the framework with 2 by 4 or 2 by 2 to support them. In our house they are set in the one inch boards which the top of the cupboards are made of; that is apparently the reason they are not standing up. The back door won't open in house No. 6. This house No. 6 is one of the houses which has this beam which is half cut away and also the floor studding which has been cut away to put in the plumbing. The chimney leaks there. The seams in the wall show. There is no floor under the bathtub which you can see in his house because his bathtub is downstairs. There is no floor whatever under the bathtub. You can go down in the basement and see the bathtub sitting there. It is sitting on some kind of support, I suppose.

Q. Will you go on, Mr. Cleave?—A. House No. 5, which is Mr. Embrum's is a house of the same style as house No. 6. By the way, Mr. Embrum is moving out. He has given up. I have not got the number of this house it is the one that the fellow assigned his contract. It is a four room bungalow. The paint job is very bad; their doors and windows leak. There is a bow in the kitchen wall which, I would say, bows out easily three inches. You stand at the doorway going between the kitchen and the living room and look down and the kitchen wall comes out a good three inches. That was pointed out at the time they were around looking at it. They said, "Well, you would not want to go to all the expense of straightening that wall up. Look at what it would cost. You would not do it if it were your house." Well, probably you wouldn't. He is also the fellow who asked for cancellation of his contract and has not received a reply to it. The only thing he has gotten on his contract is about two months after he signed his contract he got a letter telling—no, I guess it was about a month after—saying he owed the first instalment. About the first of February was the date he wrote for the cancellation of his contract and he got a letter to it three days ago asking for his back payments.

By the Chairman:

Q. Did you not say one of them asked to have his contract cancelled and did not they say it was possible to cancel it but he would be charged rent?—A. Yes.

Q. Is that the same man?—A. Yes, I am sorry, he said he did get that letter back but they did not cancel his contract.

Q. They told him he could cancel it and then they would charge him rent. That is what you said previously?—A. Yes, that is so. There are no garages, of course, in this subdivision. The sidewalks they put in, what they call gravel sidewalks—I do not know if you know what gravel sidewalks are, but it is all sand. It is nothing but sandhills all around there. They went and dug up some of the dirty sand there and brought it. Then, they dug a trench of about three inches deep and laid the sand in it. It is worse than the yard itself.

By Mr. Fleming:

Q. Where did they get the plastering sand for this work?—A. They took it from a portion of the subdivision in a sandhill. They used that to putty up along the sill of the house.

Q. That was for the repair work later on?—A. Yes.

Q. I do not know whether you mentioned houses 1, 2 and 3 in your enumeration, did you? Is there anything about the condition of those?—A. Houses 1, 2 and 3—I am not sure of the numbers over there. One of those houses is occupied by a fellow who assigned his contract and has stayed out of it altogether.

By the Chairman:

Q. Stayed out of what?—A. He has never had any part in the argument or fight which we had about the houses. He has existing circumstances, I understand—

Q. You cannot say about that?—A. The other two houses, there is one exactly like my house which has never been lived in to date. The other house is the house the fellow moved out of at the time Mr. Parkinson came around to get the contract signed.

By Mr. Homuth:

Q. You would say, in view of the fact that one house has never been lived in and there are 100 veterans around Sarnia, they have not been clamouring for them?—A. That is correct. One fellow came out and enquired about getting a house. They told him they were not going to do anything about the houses in the way of selling any more of them until they got the repair work completed. That may explain the fact that there are not veterans after them, but I am a little dubious about the number of veterans after these houses.

By Mr. Fleming:

Q. How many houses are vacant to-day?—A. Two now and one fellow is moving out. There were two vacant when I left Sarnia.

Q. Those are the eight lucky vets who were described this morning?—A. Yes, sir.

Q. You have not spoken about septic tanks; what kind of tile did you find there?—A. They came back this spring and they found out a lot of the tile had not been put in and what had been put in was in too close to the ground and had broken during the winter with the frost. I think in practically every case, so far as I know, the other houses had new tile put in. At my place they dug a ditch for this tile which was full of water. They laid the tile in this water and filled it in again, so I do not know whether tile laid in water is good or not. I will grant you it was a wet spring.

Q. The situation as you have described it to us is the situation as it existed in January?—A. That is correct.

By the Chairman:

Q. Except for the water?—A. Except for the water.

By Mr. Fleming:

Q. You heard what Mr. Murchison said this morning about the repair work that was undertaken and has been going on, I think he said for the past couple of months and is just about complete?—A. Yes.

Q. Have you anything to say about the course of events from January on?—A. I would say roughly about two months ago there was a representative from the V.L.A., I understand he was from Toronto, and a contractor from Toronto came down and informed us they were going to do all the necessary repairs on the houses. They said this time they were going to make a job of it and do it right.

Q. Is that the first time that anything has been done about repairs from January until the time you mentioned about two months ago?—A. That is a pretty hard question to answer, sir. They were there week in and week out. There would be a man come in and paint a little board, put a chunk of quarter round here and he would be gone again. They were there every week doing something.

Q. You would call these the little patching jobs?—A. That is right, it was patch work; trying to cover up the defects.

Q. Apart from these little patching jobs, do I understand nothing was done of a major nature down until two months ago?—A. That is correct, sir.

By the Chairman:

Q. What do you mean by a serious nature? The septic tank was repaired before that. It was repaired when?—A. It was repaired the first part of December.

Q. And the kitchen sink and so on, all these other things, all the repairs were made before the end of the year? What repairs were made in January and so on? We want to have an exact picture. Now, Mr. Fleming has asked you a question whether these repairs were made only in the last two months, and you said you had men coming and going at all times. You said that the septic tank was repaired in November. We just want to get the picture.—A. Well the repairs that they were doing up until two months ago were of a minor nature.

Q. That includes the septic tank?—A. Yes, well we will forego the septic tank—actually the V.L.A. did not fix it, the gentlemen paid for it, up until a month ago at least. Outside of the septic tank then they were very minor repairs that they did. They took a plane and planed the door off so it would close and where there was several broken boards along the windows, that is just the sash board, they replaced those and daubed a little bit of paint on them.

Q. When did they fix the joints and the taping of the walls? Within the last two months?—A. That is correct.

Q. And the fitting?—A. That is correct.

Mr. JAENICKE: Is that taping satisfactory now? Did they make a good job of it or do the nails still show?

The WITNESS: They still show. They are much better than they were, but they are far from good.

Mr. BEAUDRY: What is the present condition of your house?

Mr. FLEMING: Excuse me, we are down now to two months ago and I thought we might carry on until we reached the present stage.

By the Chairman:

Q. Each time you made a complaint, to whom did you make it, one of the inspectors coming around?—A. Generally to Mr. Parkinson, one of the V.L.A. representatives in London. He was the man that came out frequently to Sarnia.

Q. You said nearly a hundred men came out to the house. They must not have come there on their own. They were officials?—A. Well I don't believe at the time we moved in the whole house had been inspected, anyway not the final inspection. It had not been completed at the time.

Q. No.—A. No, and there were representatives from Toronto and London, I do not know whether there were any from Ottawa at that time.

Q. You made your representations to these representatives?—A. Yes, to anyone that came.

Q. And the next man would come to repair what he had seen and he would see something else?—A. Yes.

Mr. FLEMING: You were not hiding your complaints under a bushel?

The WITNESS: No sir, we told everybody.

The CHAIRMAN: And there were plenty of people coming to hear them.

The WITNESS: Yes, there were plenty coming to hear them.

By Mr. Fleming:

Q. Now you are down to this time two months ago and did you say anything about the hinges and door jambs?—A. Well the strap-hinges, hinges that you use on chicken house doors or other doors out in the backyard, are the type of hinges that they used upstairs. Upstairs off the bedrooms they have doors made so you can get out underneath the eaves for storage space, and they used these strap-hinges. They are about so long, put in with three or four screws with a pin in the centre. They were used upstairs in my house, I am not sure of the other houses, some of the rest of the houses may not be the same.

Q. What about the door jambs, were they supported properly?—A. The door jambs on my house, one of the cracks they filled up but, a crack appeared in the door jamb, three or four door jambs and you can take hold of the door jamb like this and put your weight on it and the crack would spread open like this. On one of the other houses it was shown to the workmen and they looked at it and admitted the 2x4 supporting the door jamb had not been put in, and the door jamb was merely nailed to the plaster. I do not know whether that is the case in my house or not but the door jambs do give.

Q. Would you just complete the picture down to two months ago when something is undertaken?—A. Approximately two months ago this contractor from Toronto, or the Veterans Land Act officer I believe he was, from Toronto, came around and informed us they were going through the houses and really going to repair them this time and fix them up. I would say they must have been there two months. One of the houses, they put a new basement floor in it, and naturally they redecorated every house completely all the way through. They put in new tile to replace tile that was broken. They scarified our lawns. There was some clay fill put on our lawn, the front lawn around the house, but since then it has been dug up so often, and scarified once, there is nothing but sand left. They sanded the floors and they plastered the chimneys in the basement where you could see.

By Mr. Burton:

Q. How would they sand the floor with these big nails showing?—A. They counter-sunk the nails and split a lot of the boards with the nails doing it.

Q. You mean they drove the heads down?—A. That is right, they drove the nails down into the floor far enough to do the sanding. The floors have been sanded twice. The first time was the original time and again, since, my floor has been sanded.

The CHAIRMAN: The nails must be pretty far down now?

The WITNESS: Yes.

Mr. FLEMING: Maybe the sanding is catching up with the nails?

The WITNESS: They certainly made an awful mess, I am not kidding you. In my house my brother lives with me and we had a cousin who came over from England and she was living with us at the time and there are three in my family, my wife, myself and one child. They came into the house to redecorate and my brother and the girl—they cleared out and my brother commuted to and from work fifty miles from Grand Bend to Sarnia. It was the only place he could go. The girl went to live with a friend in her apartment, and we moved the baby not a baby but a young girl, over to her aunt's and they went ahead and redecorated the house and our furniture was all there. In my house they did a brush job but on the others they used spray. I think I was most fortunate because the others had spray painters. They certainly made a mess spraying the furniture in the house and there were spots—

The CHAIRMAN: Did they do anything to protect it?

The WITNESS: They had four or five different paint gangs and when one would go another would come. I was lucky. I hit two painters who had clean tarps and drop sheets and they were very good fellows and did the job as well as they could with what they were given to do it.

The CHAIRMAN: Do you know whether these people belonged to the original contractors?

The WITNESS: No.

By the Chairman:

Q. They were under the Veteran's Land Act?—A. As far as I know they were hired by this contractor on the V.L.A. job. The painters that came into my house wanted to do the house a certain way but they would not let them do it. They had their own ideas.

Q. When you say "they" who do you mean?—A. I mean the contractor,—I won't say the contractor—because at the time my house was being painted the other contractor was not there, but the Veterans' Land Act officer was and he had his own opinion as to how the paint was to be mixed, and how it was to be put on, and the painters did the best job they could, but it was terrible for a new job. It is terrible. They came in to re-plaster over the joints and nail heads and they sanded off a few spots in some of the rooms. They are showing through worse than before in some of the rooms, but other rooms are better. The painter people say in two or three months the spots will be showing through because they did not allow for putting size on.

Q. When you say "they" do you mean the V.L.A.?—A. The painters who did the job.

Q. When you say "they" who do you mean?—A. Well while my house was being painted there was only the Veteran's Land Act man. The contractor was also responsible for the work done in Windsor and he was in Windsor at the time my house was being finished.

By Mr. Fleming:

Q. Ryan Bros., of Windsor?—A. No.

Q. These men did it for the V.L.A.?—A. Yes.

Mr. BURTON: You mentioned a moment ago about the furniture being left in a mess, I do not think you evaded it but what did they have for covering the furniture? What steps did they take to protect it?

The WITNESS: They had drop sheets, I think all the painters had, but some of them were very careless about how they used them. The people next door to us, his wife was in the hospital with a new arrival at the time. They were not in the house. He was in town. They moved their furniture out. These painters moved the living room furniture on the front lawn and it was snowing that day and my wife got so mad that she went over and they covered it with a tarpaulin, but they did get paint over a tremendous amount of furniture little spray spots all over the furniture. I don't know why they didn't cover it.

The CHAIRMAN: Why did not the people in the house prevent them? If you were in your house you would make sure it was all right.

The WITNESS: It is pretty hard to keep up with them. They are painting in a room and they cover your furniture with sheets and they go ahead and start painting. As they move around the sheets get knocked off some pieces of furniture and they do not bother to put them back on and in the case next door they were not there to instruct them anyway.

Mr. RINFRET: You tell us that was done in the last two months?

The WITNESS: That is correct, the last two and a half months.

Mr. RINFRET: Did it snow in your vicinity since the first of May?

The WITNESS: Let us see, what is this—May, June,—well there was a snowstorm this one afternoon when the furniture was out. I don't know whether there was snow in May or not.

The CHAIRMAN: Are you sure the repairs were made in May?

The WITNESS: I am pretty sure there was snow in May in Sarnia, one afternoon in May.

Mr. FLEMING: We had snow in May here if I remember rightly.

The WITNESS: I think that is so.

By Mr. Fleming:

Q. What is the condition of the stairway to-day?—A. I will speak only for my own stairway. I think I mentioned before, when the painters were there, after they got done painting the walls and so on, they neglected to clean the paint and the plastering from the wallboard off the stairs before they stained and varnished them. When the painters came in this last time they were of the impression the sander was coming to do the floors and they would sand my floors and fix them up and so they were not very careful to cover the stairs to keep the paint off, and the consequences of that is they never did sand the floor and it looks terrible. You can walk in the front door and it looks like my wife has not cleaned the stairs for six months.

Q. What is the condition of the basement to-day?—A. The basement is beginning to dry up but you can imagine what it would be like with water lying in the basement the last two or three months. It smells, the floor is slimy, and my wife had to send the laundry out for about two months because she could not do the washing in the basement.

Mr. HOMUTH: Excuse me, are there any laundry tubs?

The WITNESS: No, there are no laundry tubs and no outside taps whatever to use for the lawns and no taps in the basement. We had to put them in ourselves so we could wash down there.

Mr. WINKLER: You could not use laundry tubs in the basement with a septic drain?

The WITNESS: Yes, because they use a sump pump to pump the water out of the basement. That is the method they use to get the water out of the basement.

Mr. CASE: There is one thing you would have lots of water in the basement anyway.

The WITNESS: That is correct. We measured the capacity of those speed pumps, we measured the capacity of the pumps—there are two pumps working in my house together, and have for two months at least and each pump was pumping fifteen gallons per minute so that was thirty gallons a minute coming out of the basement. One pump on rare occasions would shut off for just a moment and then click back on. My hydro bill, I used to pay for water before I went there, but now it is about double what it used to be.

By the Chairman:

Q. Have you made any claims to the Veterans' Land Act?—A. No, sir, I didn't. One fellow did but he didn't get any satisfaction so he paid the bill. I have a bill in my pocket for \$6.84.

Q. Did you claim for that?—A. No, sir, I paid the bill, there is no use, and you would not get anywhere.

Q. How do you know?—A. The fellow next door did and he had a water bill higher than that, and he made a complaint but couldn't get anywhere.

Q. To whom did he make it?—A. To the office in London, or I am not sure whether it was the Veterans Affairs or the Veterans' Land Act office.

Q. In your case you did not make a complaint?—A. I didn't make a complaint. I have the figures here since January 30th. The fellow next door sold his water sump pump which he shut off three weeks ago because it was using too much water. From January to date he has had 75,660 gallons of water through the sump at 40 cents a 1,000 gallons, for use in pumping water out of the cellar, and water they use in the house.

Mr. GLADSTONE: Did you have the city of Sarnia water connection?

The WITNESS: That is right, I think? I am not sure whether it is the city of Sarnia or whether they have rural water but it is the same water anyway.

Q. Mr. Cleave, just a word about the dimensions of these houses. There are eight houses, I understood you to say. I think you heard Mr. Murchison's description of them this morning, and if I remember rightly, I am speaking from memory, he said four of them were one-storey cottages and four were bungalows. Am I right in my recollection?—A. Two of them were four-roomed houses—either six- or well—my house has three rooms downstairs or five rooms, my house and another one like it. Six, are four- or six-roomed houses. The six-roomed have an extra bedroom.

Q. Can you give us the overall dimensions of the houses, give us some idea of the size?—A. My house is 18 feet by 30 feet; that is 18 feet wide and 30 feet long.

By Mr. Homuth:

Q. Did you say 18 feet wide?—A. That is correct, sir; and 30 feet long.

By Mr. Fleming:

Q. And the price they asked you to pay for this house?—A. The only fair price I can give to you, the only one that was quoted to me, was the one they quoted to me at the time when they got my receipt for my \$600 original down payment, the letter back thanking me for it—they laid out the contract price there at \$7,849.05; that is, without the grant off; naturally I would have the \$1,400 grant that they gave me and my \$600 down payment and that left it something like \$5,849.05.

Q. They still have your \$600. Have you made monthly payments at all?—A. No, sir.

Q. How do you stand at the moment with the department; I mean, how do matters stand at the moment between you and the department with respect to payment and occupation?—A. We know nothing at all, sir; whether we owe them money or they owe us money or what. We don't know what to go by. We don't know what is going to happen.

Q. When was the last word you had from the department on the subject of contractual relations with them?—A. I believe the last correspondence we had from the government—I think the letter is there—it was written in Toronto and at that time—

Q. Is this the letter to which you refer, a registered letter dated March 3?—A. That is correct.

Q. Do you mind if I read that, Mr. Chairman.

The CHAIRMAN: Why not have the witness read it?

Mr. FLEMING: All right, would you read that for us?

The WITNESS: This letter reads as follows:

SOLDIER SETTLEMENT AND VETERANS' LAND ACT

465 Bay Street,
Toronto 2, Ontario,
3 March, 1947.

Registered

Mr. W. T. CLEAVE,
Lot 41 S,
Briarfield Sub-division,
Sarnia, Ontario.

DEAR SIR,—In recent months you have been allocated lot 41 S on the Briarfield sub-division, and at that time you signed a formal application for assistance in which you requested financial assistance to purchase the above mentioned property under the terms of the Veterans' Land Act, at the price as shown on your application.

It might be pointed out to you at this time that one clause in your application for assistance reads as follows:

I have personally inspected the land with respect to which this application is made, at a time when the snow was off the ground and a thorough examination was possible and I am satisfied that it fulfils my requirements and that it is suitable for the purposes for which it is to be used.

This application was signed by you in the presence of a commissioner for taking affidavits and the department can only assume that you completed this document in the best of faith.

In spite of the above, you refuse to sign the agreement of sale which was presented to you in the course of the past few days, and in view of this, the department has no alternative but to take steps to make the home in which you are presently residing, available to another veteran who is agreeable to completing the agreements presented.

If on receipt of this letter you have reconsidered the whole matter and have decided to sign your agreement you may do so at the regional office of the Veterans' Land Act at 211 Richmond Building, London, within five days of the date shown on the letterhead. If however, you still are not prepared to sign, you may vacate the premises within one week from the date shown on the letterhead, and if you do so, no rental will be charged from the date of occupancy until the date the Director has vacant

possession. The property will be appraised however, and should there be any depreciation through your possession, a reasonable amount will be assessed for any depreciation caused by your occupancy.

If you do not elect to leave the premises within the seven days as outlined above, the department will arrange for the collection of a reasonable rental from the date of occupancy until such time as you sign the agreement, or the 1st of May whichever is the earlier. The rental paid in this manner cannot be applied against your contract indebtedness but will be paid into the national revenue fund, and hence will be a total loss to you even though you should decide to complete your agreement at a later date.

Should your agreement not be signed by the 1st of May, 1947, the Director will insist upon vacant possession as of that date, and you may consider this letter as your formal notice in this respect.

Yours very truly,

(sgd) J. A. GOODCHILD,
For District Superintendent.

By Mr. Beaudry:

Q. What is the date of that letter?—A. Well, it is dated March 3, 1947, and it was sent by registered mail.

By Mr. Burton:

Q. On what date did you receive the letter?—A. I received the letter five days after the date shown on the letter.

Q. That would be on March 8?—A. It was on March 8th that we received the letter.

By the Chairman:

Q. Did you answer the letter?—A. No, sir, I did not answer the letter.

Q. Can you give the committee the reason why you did not?—A. Immediately upon receipt of that letter of course we got in touch with the Legion.

Q. "We"—you mean by that that the others received letters also?—A. That is correct.

Q. That is through your own personal knowledge?—A. To my own personal knowledge, outside of the two who had already signed.

The CHAIRMAN: That is all right.

The WITNESS: We went and got in touch with the Legion and the Legion called the V.L.A. place in London and told them that it was impossible even if we wanted to for us to sign our contract. Now, this was Saturday morning and it was impossible for us to get up to London and sign the contract before the closing date.

The CHAIRMAN: You mean, within the week.

The WITNESS: Within the seven days allowed. On the other hand the Legion man was told—the man he was speaking to told him to tell us to let the matter drop for the time being because he had been informed that Mr. Murchison and Mr. Woods were coming down for a personal inspection of the properties.

By the Chairman:

Q. You were told that by the Legion man in London?—A. Yes. I was there at the time he was talking to the other man, I mean when he was talking to the V.L.A. man.

Q. I mean that you were told that by the V.L.A. man?—A. That is correct; we were told that Mr. Murchison and Mr. Woods were coming down there for an inspection.

Q. Pardon me, I did not quite get you; you said that the V.L.A. man told you not to bother about that?—A. He said for us not to worry about it.

Q. What did the Legion man have to do with it?—A. He was the man who called London for us.

Q. And the V.L.A. man in London answered the Legion man to tell you not to worry?—A. That is right; not myself but the Legion man told me not to sign them, that Mr. Murchison and Mr. Woods were coming down on a tour of inspection; and Colonel Parrish was with them; he was a contractor from Montreal, I believe, and we brought up the subject at that time; and, now, I am not sure whether it was Mr. Woods or Mr. Murchison or who it was that informed us then that we had no need to worry about that letter until such time as they made their final report to the Minister of Veterans Affairs and then we would hear what the outcome was.

By Mr. Fleming:

Q. Have you heard further?—A. We have not heard anything further.

Q. Apart from yourself do you know if any of the other veteran occupants of those houses have heard?—A. No, sir. The only one that I know of is the one chap who got a letter three or four days ago asking for his back payments.

By the Chairman:

Q. And you have not been pressed for payments either?—A. No, sir.

Q. And you haven't received anything yet?—A. We have never been asked for any further money.

By Mr. Fleming:

Q. And you have been biding your time waiting to hear from the department as to what the outcome of this inspection was?—A. That is right.

Q. And that letter was written and it was received by you before any of this repair work was undertaken?—A. That is correct, before Mr. Murchison and Mr. Woods made their inspection.

Q. I am speaking of the major repair work which you said began two months ago.—A. The major repairs were started after that letter was written.

Q. They were demanding of you that you sign a contract at the time the property was in the condition of disrepair which you have described this afternoon?—A. That is correct, sir.

Q. And the contract that you were being asked to sign under those circumstances called for a price of \$7,859?—A. Now, I am not certain. There is a slight drop in the payment—I don't recall just what it was, it varied from \$40 to \$100 perhaps in the price. Yes. At one time when they asked us to sign our contract—at the time of that letter there was no copy of the contract. I have never had a copy of the contract yet. I have no figures outside of what was shown on my original receipts for my \$600. That is the only figure I have ever had from the government in writing to say how much my house was going to cost. My payments I think were to be \$29.12 per month.

By Mr. Homuth:

Q. You said there was a hole in the floor of the cellar; was that there when you moved in?—A. It was put there for the sump pump.

Q. It was there when you moved in?—A. Yes, about a foot square.

The CHAIRMAN: It was cemented around?

The WITNESS: Definitely, yes.

Mr. HOMUTH: When they put that hole in there they must have realized that they had built a house below water level.

The CHAIRMAN: That again is guesswork. Ask him about facts. He is not the one to decide whether it was or not. You should ask the contractor about that.

The WITNESS: There is one house, I believe, only one which is built up on a kind of a rise where they have no trouble with water, and the contractor did not put a sump pump in that house.

By Mr. Homuth:

Q. So the idea was that they put a hole in the cellar floor, because of the water danger, the water menace, and the whole was put there so that you would be able to pump it out?—A. That is correct, the sump pump was there, too.

Q. The pump was there; there is no question about it, the contractor who was responsible for the building knew that there was going to be water.—A. It was filled in.

Q. Now, just a minute; I think that one of the complaints you had when you moved in was that you knew that your basement floor was below water level. How far was the water level below the floor?—A. I would say it was six or eight inches.

Q. And how was it, let us say, around Christmas time or later on in the spring?—A. It remained at a constant level all the time until spring, the spring breakup, and then it came in.

By Mr. Beaudry:

Q. How did you ascertain the water level?—A. You could see it in the hole.

Q. Did I understand you to say that the hole was covered with cement?—A. The hole was covered and the pump that was originally put in the water sump pump, the water expulsion pump which operated off the water system; the water drained off by using the water itself to operate the sump expulsion pump. That sump pump required a hole a foot square. The electrical sump pump required a bigger hole and they cut the hole right through the cement floor, that was the only way they could put it to work, was by cutting a hole in the floor.

By Mr. Murphy:

Q. And that accounted for the high hydro bill?—A. That is correct, \$6.84 in one month.

Q. I have just one other question; you did not tell the committee the type of construction of these houses?—A. Eight homes have all got Johns-Manville asbestos shingles on the sides. They have asbestos shingle roofs. They are finished with plasterboard inside, plywood flooring in all the rooms upstairs in the houses that have an upstairs, and plywood floors in every bathroom and in every kitchen of the homes. There are hardwood floors in the rest of the rooms.

By Mr. Case:

Q. What kind of a foundation?—A. Cement block on a cement footing.

Q. Are there cement floors in the basement?—A. Cement floors in the basement.

Q. Is it frame construction?—A. Frame construction, yes.

By Mr. Murphy:

Q. Is there a sub-floor under the plywood floor in the kitchen?—A. No, sir, there is not. There are slats there one by six and twelve inches apart.

Q. In other words, about one-third sub-floor under the kitchen.—A. Roughly, one-third, I presume.

By Mr. Homuth:

Q. Do you mean to say that the walls are just Johns-Manville siding?—A. Yes. What is under that siding I do not know. I imagine they are sheeted underneath. I do not know.

Q. They are not brick or stucco, just Johns-Manville siding?—A. You know the white shingles.

By the Chairman:

Q. There must be board sheeting underneath otherwise if you only had that covering it would not hold its place.—A. I presume there is sheeting underneath. I hope there is sheeting underneath.

By Mr. Burton:

Q. You would not know whether the sheeting is half inch or an inch.—A. I have no idea what it is. I know the wind blows in beside my wall plug in the kitchen which is right beside the table.

By Mr. Case:

Q. You would not know whether it is solid sheeting or spaced sheeting such as you have under the sub-floor?—A. No, I do not know.

Q. But there is insulation between that and the plaster boards?—A. There is supposed to be two inches of rock wool.

By Mr. Burton:

Q. Have you any idea of the dimension of the studs? Are they two by four or two by six?—A. Down in the basement I believe it is two by eight studding. What is in the upstairs floor I could not say.

By Mr. Case:

Q. What is the centre between the studding or joists downstairs?

MR. HOMUTH: You are talking about joists?

By Mr. Case:

Q. Is it 18 inch or 12 inch centre between the joists?—A. I imagine they are the same although I do not know.

Q. You do not know how far apart the joists are in the basement?—A. I do not believe I ever measured them.

Q. But you think they are two by eight?—A. They are two by eight in the basement. I know that.

By Mr. Jaenicke:

Q. I do not understand about that hole in the basement. A little while ago you gave me the impression that hole was put there because they expected water to come in. Then you told us there was a smaller hole first for some other purpose and a pump was there for some other purpose?—A. The only purpose I can think of why the hole was there and the pump was there was because they anticipated water in the spring of the year. That is the only reason I can see that it would be there.

Q. Then you made another remark about tearing up the floor.—A. I believe you are referring to the fact that somebody said you could not have laundry tubs in the basement because you could not drain them.

The CHAIRMAN: He is referring to afterwards when they came and dug a larger hole.

By Mr. Jaenicke:

Q. No, the smaller hole was there for some purpose with a pump to take out some water.—A. Somebody mentioned you could not have laundry tubs in the basement because there was no place to drain them and I mentioned you could use your sump pump to drain because we did use the sump pump to drain our laundry water. You could not carry it upstairs in pails and take it outside.

Q. Did you say it was put there for that purpose?—A. I do not believe it was put there for that purpose because there were no taps put in the basement and there were not laundry tubs.

By Mr. Case:

Q. You apparently have no natural drainage there in these cellars?—A. Apparently not. We had to wait until the water level gradually went down with the sun and the wind.

By Mr. Gladstone:

Q. What determines the water level there?—A. Lake Huron, I imagine.

Q. How far are you from the river or lake?—A. I would say we are about a mile or a mile and a half from Lake Huron and we are possibly two or two and a half miles from the river.

Q. How far are you from the post office in Sarnia?—A. We are on rural route No. 3. One of the fellows has a mail box there, but we are a long way back in from the road. I use Point Edward which is really our nearest place. I think the rest of them have general delivery, Sarnia, for their mail.

Q. What is the distance?—A. From Sarnia? Well, from the outskirts of Sarnia I guess we are maybe slightly over a mile but from uptown we are about four miles.

Q. It is very flat country there, is it not?—A. Yes, quite flat.

By Mr. Burton:

Q. Is there a paved road or a gravel road near the property?—A. There is a gravel road which they constructed to take care of these houses. It comes off a gravel road. I suppose we are 500 yards from that gravel road. Taking the back way, which we have to take to the bus, we are about a mile from the bus, between three-quarters of a mile and a mile from the bus. We have that to walk to catch the bus.

By Mr. Murphy:

Q. You were here this morning when Mr. Murchison referred to some wartime houses that were for rent within a mile and a half of your place?—A. Housing Enterprises Limited houses. He is correct. They are about a mile and a half from where we are. They are on the outskirts on Sarnia. We are further out again, but they are still within the city. They have sewers and they have a paved road running by them.

By Mr. Burton:

Q. Sidewalks?—A. Sidewalks, yes; I believe all the sidewalks are now completed there.

Q. What was the rent for anyone having a house similar to yours in that location? Do you know what any of your friends paid for rent?—A. It is too much. I think for a house similar to mine it was \$48.50. I understand there has been some raise since they took the ceiling off the houses completed since the 1st of January, but that is a scandalous rent. That is far more than Wartime Housing. A Wartime Housing house like mine is renting for around \$25 to \$30.

Q. There is Wartime Housing in the same vicinity?—A. They are over in another section of the city, but they are in the city. They are having trouble there, but they have sewers, sidewalks, things like that, a bus service.

Mr. BEAUDRY: If I may interrupt, did we not have a figure quoted by Mr. Murchison as to the rental of the houses put up by Wartime Housing, that it was set at \$52.50 a month?

Mr. FLEMING: That is the one that is in the city of Sarnia.

Mr. BEAUDRY: The witness just said he thought the rentals were around \$25 a month.

The WITNESS: For Wartime Housing. I know definitely that Housing Enterprises Limited are renting a house that has a kitchen, living room, bedroom downstairs and bath, and two bedrooms upstairs for \$50 a month now.

By Mr. Case:

Q. How much land have you with your house?—A. Half an acre presumably. It has never been measured out. I do not know where it runs.

By Mr. Fleming:

Q. Is it fenced?—A. No.

By Mr. Case:

Q. Is that general with the houses built there? Do they each have half an acre?—A. They are supposed to have half an acre to each home.

By Mr. Gladstone:

Q. What is the character of the top soil?—A. Sand, beach sand.

Q. What is the lower part? To what depth does the sand go?—A. All the way down, I think, as far as anybody has ever dug, anyway. A couple of fellows tried to plant a garden. One fellow is lucky. He has a little bit of land at the back of his house, away back at the back end of it, right over on the far side of the subdivision, where there is apparently some black loam. He is the only one out there who has a garden. Another fellow attempted a garden and it is not growing at all.

Q. If the sand goes down that far the water level must be determined by the height of the water in the river.—A. I would say the lake. I do not know. It all depends whether there is a clay bank between there and the river or the lake.

By Mr. Jaenicke:

Q. Is the water level in the river and the lake exceptionally high this year?—A. I really could not answer that. I am not sure.

By Mr. Coté:

Q. How old are these houses of a similar type which are rented for \$25 and \$30 a month?—A. That is Wartime Housing. I believe some of those were just completed in 1946. In fact, I am sure they were completed in 1946. I think there were about 150 homes completed in 1946 and rented at that time. I would not like to say to the exact figure because I do not know, but I understand they rented between \$25 and \$35. Of course, they are a different size home. I think they rent as cheaply as \$22 in some cases.

By Mr. Burton:

Q. But they are not the type of house you expected yours to be when you moved in?—A. No. These wartime houses were not completed as well as ours. For instance, in our kitchen we have built-in cupboards which I do not believe they have in Wartime Housing. They may be built in but I do not believe they have doors on them.

By Mr. Case:

Q. I do not think they have a basement either.—A. No, a lot of them do not have a basement. Those I am talking about do not have a basement.

By Mr. Beaudry:

Q. I am not disputing your grievance and the difficulties you have had, but when you went in to purchase that house did you go in to invest \$7,800 roughly as a lifetime proposition or—A. Well, yes. Naturally when I went in there I knew I was assuming an obligation for 25 years. I presume I could

have broken the contract. If I had broken the contract I would have lost all the money I had put up, also my V.L.A. and my rehabilitation credits.

Q. Was the actual ownership of that house the motive—and again I am not questioning the motive—or was it the stronger motive that you needed accommodation at that time?—A. That is correct. I practically had no other choice. I had to get a place to live. My little girl was sick.

By Mr. Jaenicke:

Q. How is she now?—A. She is fine.

By Mr. Beaudry:

Q. You went in there and you were going to invest that amount of money and yet you said you took very little time to examine the house.—A. I had been through the houses before. I looked through them in July, but when I went in I was not looking for beams cut off, floor joists cut off, insulation not there, and all that kind of thing, because I knew that before the war when you built under the National Housing Act, when the government was having a house built the supervision was very strict, and I assumed that this house, at least the stuff I could not see, was in good shape.

Q. You took it for granted?—A. I took it for granted that the house was properly constructed.

Q. And that you did not have to examine the house or have it inspected?—A. I knew the price was high but I assumed I was getting a good house when I bought it. That was my attitude. That is what I told my wife, "At least we will know it was built by the government for veterans. At least we will know that."

By Mr. Burton:

Q. It was built by a contractor?—A. Yes.

Mr. FLEMING: Under contract with the government.

By Mr. Denis:

Q. On the third of March when you received that letter did you know how much it would cost you to get that house?—A. The only price I had was the original figure.

Q. On the third of March when you received your last letter did you know how much it would cost you to get that house?—A. They did not state it in the letter but I knew what it was roughly. I could not lay my finger on a figure and say, "That is it."

Q. You could have inquired at that time to ascertain how much it would cost you exactly to get the house?—A. I presume I could have written to London.

Q. That was not the question.—A. I could have found out. I did not try. I suppose I could have, I guess.

Q. Can you figure the amount it would cost you to get that house?—A. I think there is a slight decrease in the cost but roughly \$7,800 is the original cost less \$1,400 grant.

Q. If I understand you you were not satisfied with the condition of the house at that time on the third of March. Is that right?—A. The house had not been—

Q. You were not satisfied with the house on the third of March when you received that letter?—A. That is correct, I was not satisfied.

Q. In that letter it is mentioned that if you are not satisfied with the house you could vacate it within seven days. Is that true?—A. That is true.

Q. You did not vacate the premises?—A. Where could I vacate to?

Q. You did not vacate?—A. No, I still live there.

Q. You still live there?—A. Yes.

Q. According to the letter if you had vacated the premises you would not have to pay rent?—A. If I vacated within a week, yes, I would not have to pay any back rent.

Q. So you could cancel the contract without it costing you one cent?—A. Unless they deemed there was some depreciation.

Q. Some depreciation because of your own fault?—A. That is correct.

Q. But according to what you say you did not do anything like that. You did not cut any floors in the house?—A. No, sir.

Q. You do not—A. I do not think I have damaged the house in any way.

Q. You did not scratch the walls?

Mr. HOMUTH: They would be sure to notice that if he did.

Mr. DENIS: We have a right to question the witness. He is here for every member.

Mr. HOMUTH: I am trying to help you out.

Mr. GLADSTONE: I think everyone has a right to expect a good house, and I am sure it is the feeling of every member of this committee that veterans everywhere should have a good deal on the houses they buy. Now, concerning the question of water: it is reported generally that the water level in our great lakes is at perhaps the highest point that has been known. It is also true that all over western Ontario people have had water in their basements. I know even in the hilly country such as that in which I live at Guelph, there has been water in the basements this year. However, that is not unusual. It is almost to be expected that in the low, flat country around Sarnia with the river and lakes unusually high, there would be water in the basements?—A. Yes, for a few days, sir, not for a few months.

By Mr. Beaudry:

Q. Does the water fluctuate that much? I do not mean in the house, I mean in the lakes?—A. My wife's aunt and uncle live out in the country. They have had water in the basement in the spring of the year. It comes in and stays there for two or three days and then goes out again.

By Mr. Homuth:

Q. The very fact there is a hole in the cellar floor and a sump pump there it leaves no question—

The CHAIRMAN: You cannot say "no".

Mr. HOMUTH: It leaves no question about the reason why a sump pump was put in there was to pump the water out.

Some Hon. MEMBER: Let us have the contractor here and find out.

The CHAIRMAN: Why don't you summon him?

By Mr. Gladstone:

Q. What organization did the contractor have in Sarnia? Did he have an inspector there when the homes were being built?—A. I could not tell you, sir, I was not there.

Q. When were those houses built?—A. I believe in 1945 and 1946. I did not get discharged from the army until February 1946. I was not there when the houses were started.

Q. Did the contractor maintain an organization in Sarnia?—A. I understand he did. He had a time office and had a building up there.

Q. Who would be the men who were continually going out to do these minor repairs?—A. Well, they were men from Windsor, sir. I believe the contractor himself or his superintendent did hire a few men locally from Sarnia but the most were brought up from Windsor.

Q. You said they were there every day doing something? Would they come from Windsor every day?—A. They would come up for a couple of days, stay in the hotel over night and come up in the morning and do a little work. Sometimes they would go home to Windsor at night and come back the next afternoon.

By Mr. Case:

Q. Have you ever had any experience building houses yourself?—A. My father is just in the process of building one and I have helped with that.

Q. You have some knowledge of building?—A. A slight knowledge, yes.

Q. Do you know anything about the cost of building to-day?

The CHAIRMAN: Do you think that is a fair question to ask this witness? His father is building the house.

Mr. CASE: He can say yes or no.

The WITNESS: I have had prices given me by contractors of what it would cost to duplicate my house, if that is what you mean. I think they were reliable contractors. There was no reason for them to misquote the house. There was none of them over \$4,500.

By Mr. Fleming:

Q. From how many contractors did you get prices?—A. I got prices from two contractors and also from a man who was in the contracting business. He was a supervisor of work, I think, for the government—no, he worked for the contractors on wartime housing for a considerable time in Sarnia.

Q. Those are the three people from whom you got prices?—A. Yes.

By the Chairman:

Q. Did they just figure out the price or did they quote you a price for which they could build the houses? There is a lot of difference between those two things. Did you say, "This house would cost so much" or "I can build that house for that sum; there is a quotation"?—A. I merely told the contractors we were having an argument about the price of the houses and I want to know what you would build that home for.

Q. Did he visit the home or did he see the plans?—A. Two of them were there and one was not there. I described the house to him.

By Mr. Beaudry:

Q. None of these contractors thought you were asking for a quotation with the intention of building yourself?—A. That, I would not know.

Q. You would know because you were the one asking for the information?—A. They knew we had complaints.

By the Chairman:

Q. They were not quoting a figure to you saying that they could, to-morrow, build a house for \$4,500?

By Mr. Beaudry:

Q. Were they willing to sign a contract with you for \$4,500?—A. I did not ask for that.

By Mr. Fleming:

Q. You say you asked them what it would cost to build that house?—A. What they would charge me.

Q. You say the highest of the three was \$4,500?—A. Yes.

Q. What were the other two?—A. \$4,500. They did not get it down to fine figuring, but between \$4,000 and \$4,500.

Mr. CASE: The point I want to arrive at is this; he has some knowledge of building.

The CHAIRMAN: What kind of knowledge of building? Before you state it ask him when he worked in the building trade.

Mr. CASE: He has said.

The CHAIRMAN: He has never said that he worked in the building trade.

Mr. CASE: He said he helped around his father's place.

The CHAIRMAN: His father has started to build a house.

By Mr. Case:

Q. Let me put the question this way; if you knew that this house cost \$10,000 to build that would influence you in expecting a good house?—A. That is correct, sir.

Q. It is bound to influence anyone whether that person has any knowledge of building or not. If a fellow says it cost \$10,000 to build a house, a person would expect a reasonably good house.

By Mr. Coté

Q. On the other hand, do you know that under present conditions contractors have most of the time to be satisfied with second and third grade material and a low quality of labour?—A. I realize that, sir. I am thoroughly aware of the fact.

Q. While I am on my feet, there is a point I should like to clear up about your agreement of sale. Did you at any time go over the terms and conditions of that agreement which the department wanted to make you sign?—A. At the time Mr. Parkinson was up and met the fellows in this one house he had the contract there. I asked him if I could see my contract and he said yes. I took it and read it in part. I read quite a bit but there was a lot of fine print which I did not bother to read. It was an ordinary bill of sale with a mortgage clause in it and so on.

Q. Did you discuss any of the clauses of that contract or any of the provisos in it?—A. No, sir. The only thing, as was in that letter, we thought it was only good business if you were buying a house from me and there were some repairs required on the house and you said, "Oh well, sign the contract and I will fix it up afterwards"; it was only good business to have that in writing. That is what we asked from the government originally, that they put down the minimum repairs required in each home and put it in writing, give us a list of them.

Q. That was your pre-requisite condition?—A. That is what we asked for that night and that is what Mr. Parkinson told us he could not get. He said he was not in a position to get it. We asked for some official who would have the power to sign that agreement.

Q. In the estimate given by Mr. Murchison this morning of \$780 for repairs since you made that, a fair estimate?—A. That is hard for me to say. I think I have here some exact figures. These were the figures submitted by the V.L.A. man who was there when the contractor was there fixing them up these last two or three months. I know he used this estimate of repairs. He told me that was the figure he had submitted to the department himself. It was on my house, for instance, to date, this was from January 1st up until the date of this sessional paper 135-J dated May 14th, there was \$460 repairs which had gone into my house. There was an estimated \$340 still to be done.

Q. The major repairs only started after that date?—A. It started after the first of January but they were partly done on May 14th when this estimate was given.

Q. Did you, yourself, may any minor repairs of any kind?—A. Not of any consequence, sir, no.

Q. You just waited for the government officials?—A. Well there was a repair man around there fixing up things. They told us they were going to fix this or that. Naturally, there was one door which was scrubbing on the hard-

wood floor and I took it off and planed it off so it would not ruin the floor. I did minor things like that.

Q. To get back to your personal matters about which you have told us, has your little girl improved or got worse since you moved into that house?—A. She has decidedly improved.

Mr. HOMUTH: But she does not walk around on the cellar floor.

The WITNESS: It is dry upstairs.

Mr. COTÉ: I merely wanted to have your answer to that as a basis of comparison as between the health conditions of the place where you are now and where you were before?

The WITNESS: I was living in a two roomed cottage with a sun porch. It had one floor and it had no basement. It was only built for summer living.

By the Chairman:

Q. Is this house well heated?—A. Yes, it was quite comfortable all winter.

By Mr. Warren:

Q. Was there a furnace in it?—A. Yes.

Q. That went as part of the house?—A. Yes.

By Mr. Gladstone:

Q. Did the water interfere with the firing of the furnace?—A. No, but it interfered with my coal. They have put in a water-proofing coat of cement on the basement floor and part way up the wall in my house to keep out the water, but they neglected to put it in the coal bin. This floor is about an inch or better thick and consequently I have about an inch of water which lies in my coal bin. It cannot get over this rise to drain into the sump pump. Outside of that, the sump pump gets the water out of the basement. It did not get to any height in the basement.

By Mr. Beaudry:

Q. From these contractors who gave you the quotations did you ascertain whether they could build for you now at that figure?—A. I have not asked anyone within the last four or five months.

Q. It would be interesting to find out whether you could build that same house for \$4,500 instead of paying \$7,900 for the house. You should not overlook that opportunity?—A. It would be, but what do I do in the meantime while they are building my house.

Q. But you are under no obligation to anyone. You have resided in the house . . .

Mr. FLEMING: But the government has his \$600.

By Mr. Murphy:

Q. When you made application for the house, it was with the intention of carrying out the deal?—A. Yes.

Q. You entered into the contract in good faith?—A. Yes.

By the Chairman:

After visiting the property?—A. Yes.

By Mr. Gladstone:

Q. When did you go through all these eight houses?—A. It was during the summer of 1946, July or August. I had decided not to buy one.

Q. You were allotted the house on the ground of veteran's preference; you said you got the house because of your veteran's preference?—A. According to the observation of the Veterans' Land Act people that is what Mr. Murchison said. Now, they started that way in Sarnia. They took out eight veterans who

were to take these houses and the eight veterans were supposed to be allocated a house. They turned them down.

By the Chairman:

Q. Do you know that for a fact?—A. I know that for a fact.

By Mr. Beaudry:

Q. Do you know the reason?—A. Why they turned them down? I think the price chiefly at that time. There was quite a bit in the papers about it. I do not know whether it got in the papers here. Then, these houses dropped out of the news. They remained vacant, I think, for another month or so. Nobody seemed to be taking them up. Gradually somebody had to have a house and one by one they were applied for.

By the Chairman:

Q. And accepted, and as you told Mr. Murphy they took the obligation to pay \$7,900 for the house?—A. That is correct, sir.

By Mr. Denis:

Q. Did you ever send a list of the repairs to be made to your house to the contractor or to the department?—A. No. We gave those to the V.L.A. officials when they were there on the spot.

Q. You never sent any written list of the repairs to be made to your house at any time?—A. I do not think we did. We gave it to the V.L.A. officials who wrote it down and made a list themselves.

Q. So, neither the contractor nor the department refused to make these repairs because you did not send them in?—A. No, they didn't refuse to make them, oh, no.

Q. If you were trying to help yourself, to send a list of the repairs to the contractor or to the department, do you not think it would help you to get an answer yes or no?—A. I do not believe it would, because—

Mr. FLEMING: Would you let him finish.

By Mr. Denis:

Q. Do you not think it would be the normal way to help yourself out?—A. Well, I tell you sir, Mr. Woods, the Deputy Minister of Veterans Affairs, Mr. Murchison who was the director of the Veterans' Land Act, and Colonel Parrish, I am not sure whether he is a contractor or a contract engineer from Montreal, came down to the Veterans' Land Act project there to inspect the houses. Colonel Parrish made a list of everything that was wrong with the houses.

Q. Talk about your own house.—A. I was there with them at the time they made the inspection.

Mr. RINFRET: When was that inspection made?

Mr. FLEMING: He gave that earlier.

The WITNESS: That would be around I would say the 10th of March or so.

Mr. RINFRET: So up to the middle of March you had made no complaint to the department that these things were wrong?

The WITNESS: It all depends what you mean by the department. We had written to the Minister of Veterans Affairs and told him why we should not sign the contracts because the repairs were not completed. The Veterans' Land Act officials were there day in and day out and if you made a list they told us they were going to fix them. We told everybody that came around but we did not send a list to Ottawa, no.

Mr. HOMUTH: You would not deem it necessary when these inspectors came out to get the information?

The WITNESS: They were not inspectors, they were Veterans' Land Act men.

Mr. GLADSTONE: I think we would wish to thank Mr. Cleave for the manner in which he has given us a report on the situation and express the hope that it will be adjusted in all fairness.

The CHAIRMAN: If there are no more questions of the witness we will adjourn.

Mr. HOMUTH: When are we going to meet again?

The CHAIRMAN: Mr. Murchison cannot come as a witness before Tuesday at least. Tuesday morning is the meeting of External Affairs and I wanted to leave Tuesday afternoon open for meetings of the steering committee so I suggest that we meet Wednesday morning and Wednesday afternoon.

Mr. BURTON: Just one question before you decide on that. I have been following Mr. Cleave's evidence fairly carefully and I may say that I was certainly impressed by what he had to say. As the story unfolds I am under the impression that if at all possible we should have the contractor here.

The CHAIRMAN: You mean we should see the contractor?

Mr. BURTON: Just allow me to finish this. In so far as examining witnesses is concerned, I believe he is the person we should have on the stand. When it comes to the evidence Mr. Cleave gave about speaking to other contractors that would build a house for him, unless he was prepared to go into arrangement with them, I believe we could forget about that, but I do want, if at all possible, to have the man that constructed that house for purpose of the record. There are different things that were stated here to-day both this morning and this afternoon, and I think we should have an opportunity to enquire from the contractor.

Mr. BEAUDRY: We already have Mr. Murchison's statement this morning that the department was not satisfied with the work.

The CHAIRMAN: We have Mr. Murchison's statement that he has yet to arrive at an understanding with the contractor and we were advised it might lead to litigation, so, as far as we are concerned, after hearing that, I do not think I would want the house myself, but that is beyond the point.

Mr. MURPHY: I wonder if it would not be embarrassing to Mr. Murchison to have the contractor here in view of the litigation.

The CHAIRMAN: In view of the litigation pending we would want a clear statement as to that. I do not think we can meet before Wednesday because we have asked for quite a lot of data from Mr. Murchison and I have asked him to be prepared for Wednesday at 11 o'clock if that is agreeable to the members.

The meeting adjourned at 6.10 p.m. to meet again on Wednesday, July 9, 1947, at 11.00 a.m.

APPENDIX "A"

SESSIONAL PAPER No. 1351, WEDNESDAY, APRIL 16, 1947

Mover:—Mr. Murphy, M.P.

QUESTION

1. What is the total cost of each home constructed under the Veterans' Land Act in (a) Sarnia Township, Lambton County; (b) Roseland and Oliver farm areas, Essex County?
 2. Who was the contractor or contractors in each of the above areas?
 3. How many homes were built under the V.L.A. in (a) Sarnia Township; (b) Roseland and Oliver farm areas?
 4. What is the present proposed sale price of each home in the same area?
 5. What is the original price asked in each case?
 6. What was the cost per unit of project overhead and how was the same made up?
 7. Have any veterans made deposits on proposed purchases and later declined to proceed with the purchase of such holdings? If so, by whom and why were said deals not completed?
 8. Who were the government inspectors in each of the above areas and what was the term of employment and salary of each inspector?
 9. What qualifications did the inspector have to become an inspector under V.L.A.?
 10. Is the purchase price asked any veterans in excess of the cost to the government? If so, how much and what units are affected?
 11. Does the government permit veterans to obtain half-acre plots and build homes on same under V.L.A., in (a) Sarnia Township area; (b) the Roseland and Oliver farm areas?
 12. Has the government received any complaint about construction or price of homes in (a) Sarnia Township area; (b) Roseland and Oliver farm areas?
 13. Has the government been requested for new price contracts or rental agreements by veterans in these areas?
 14. On whose advice were the locations for veterans' homes chosen?
 15. Who recommended the sites chosen in (a) Sarnia Township area; (b) Roseland and Oliver farm areas?
- The attached information has been received by the Secretary of State of Canada from the Department of Veterans Affairs.

ANSWER OF DEPARTMENT OF VETERANS AFFAIRS

1. (a) 2 at \$7,759.36 each
 2 " 7,928.57 "
 2 " 7,081.95 "
 2 " 8,200.54 "

Cost of house construction only.

- (b) House costs not yet finally determined by Cost Inspection and Audit Division of Treasury.
2. Ryan Home Builders Limited.
3. (a) 8.
 (b) 100 (Roseland, 60; Oliver, 40).

4.

Sarnia	Roseland	Oliver
2 at \$7,723.96	8 at \$7,342.13	4 at \$7,481.03
2 at 7,891.96	8 at 7,496.81	4 at 7,635.71
2 at 7,455.96	8 at 6,573.80	4 at 6,712.70
2 at 7,758.96	4 at 6,469.79	2 at 6,608.69
	4 at 7,376.73	2 at 7,401.81
	4 at 7,262.91	2 at 7,515.71
	4 at 6,286.55	4 at 6,425.45
	8 at 7,074.59	4 at 7,263.49
	4 at 6,600.26	4 at 6,739.16
	4 at 6,325.23	4 at 6,464.03
	4 at 6,308.80	4 at 6,447.70

Price includes dwelling, land and services.

The conditional grant of \$1,400,000 has not been deducted.

5. Same as number 4.

Average per unit at Sarnia \$1,736.22.

Project overhead includes the following items:—Temporary buildings salaries of staff located on the project including superintendents, accountants, bookkeepers, stenographers, timekeepers, material checkers, first aid attendant, watchman, and waterboys, miscellaneous expenses incurred at job office in direct relation to the project include travelling expenses, telegrams and telephone calls.

Re Roseland and Oliver projects, *see* reply to 1 (b).

7. Yes.

Project	Name of Veteran	Reason
Sarnia	Hudspith, F. J.	Moved out but has not yet requested refund.
Roseland	Derrick, W. J.	Has house in city.
	Underwood, A.	Not completely satisfied.
Oliver	Towers, C. B.	Change in his position requires move from Windsor.
	Rigney, M. W.	Moved to Collingwood, trucking business.
	Reid, W. A.	Opportunity to buy house in Windsor more convenient to his work.

Project	Name of Inspector	Term of Employment	Salary
Sarnia	Methven, J.	July 19, 1945 to Sept. 11, 1946.	\$2,400.00 per annum
Roseland and Oliver	Earl, Charles	June 11, 1945 to May 31, 1946	260.00 per month
	Harper, A. W.	June 5, 1946, to Aug. 31, 1946	2,400.00 per annum
	Southwick, L. G.	Sept. 16, 1946, to Nov. 6, 1946.	2,124.00 per annum
	Thibeault, J. T. L.	Nov. 4, 1946 to the present date	2,124.00 per annum

9. *Methven, J.*—Employed with: Rowland Anderson & Paul Architects, Edinburgh, Scotland—1907 to 1913—as Architect's assistant and supervisor; Hooper & Davis, Architects, Winnipeg—December, 1913 to June 1914—as draftsman; Province of Manitoba—June, 1914 to December, 1915—as draftsman; Dominion Sugar Co., Chatham,—November, 1916 to January, 1918—draftsman and supervisor 1918 to 1945—in business for himself as architect.

Earl, Chas.—Employed with Wells & Gray, Engineers and Contractors, Toronto, June, 1914 to March, 1923, as superintendent of building construction of industrial plants, storage plants, abattoirs, banks, private residences and general construction work of all kinds. Partner with Allan & Earl, General Contractors, Windsor, March, 1924 to March, 1931. Employed by Allan Construction Company, Windsor, 1931 to 1943, superintending the erection of industrial buildings, residence, public buildings and remodelling. Employed by D. T. Cameron, Architects, Windsor, 1943 to 1945, as Inspection Superintendent, supervising construction of wartime houses in Windsor.

Harper, A. W.—Employed with Noranda Mines, Ltd., Noranda, P.Q., April 1934 to June, 1946, as Building Supervisor, supervising maintenances of company owned dwellings, business blocks, schools, etc., making specifications for such buildings and inspecting the construction. Town assessment commissioner and building appraiser.

Southwick, L. G.—Employed intermittently as carpenter from 1936 to May, 1946. General contractor, May, 1946 to September, 1946. Since leaving the service Mr. Southwick has returned to his own contracting business.

Thibeault, J. T. L.—Carpenter, 1934 to 1941, with the exception of a 5-year period when he was in the general contracting business with his father. Canadian Army 1942 to 1946.

10. No.

11. Yes.

12. (a) and (b)—Yes.

13. Yes.

14. Property was subdivided by Mr. R. W. Code, O.L.S. of London, Ont. Building lots were selected by Mr. J. C. Angus, District Construction Supervisor, and Mr. P. R. Buesned, Resident Engineer, and approved by Mr. C. M. Nixon, District Superintendent.

15. Purchase of the properties was approved by the District Superintendent following appraisal by Mr. Peter Love, and consideration by the Regional Advisory Committee.

APPENDIX "B"

AVERAGE COST FOR EACH BASIC FLOOR PLAN IN EACH PROVINCE

Design	B.C.	Alta.	Sask.	Man. *	Ont.	Que.	N.B.	N.S.	P.E.I.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Humphrys—									
1.....	6,586 73	5,734 39	6,070 02		6,713 84	6,904 64	6,090 82	5,940 57	5,894 15
2.....	6,566 64	6,003 69			6,648 94	6,788 81			
3.....	6,197 01	5,509 27			5,947 05	5,750 08			
4.....	5,179 65	5,134 39	5,396 12	5,597 64	6,048 23	5,652 94	5,246 39	5,490 57	5,315 12
Rule Wynn Rule—									
1, 1A, 1B, 1C, 1D.....	4,815 40	4,617 68	5,219 19		5,882 55		5,220 31	5,270 56	5,294 82
2, 2A, 2B, 2C.....	6,521 81	5,597 35	5,952 35		6,605 22	6,956 91	5,989 01	6,284 44	6,071 09
3.....		6,065 57					5,045 35		
5.....							6,396 57	6,517 21	6,669 53
Alward & Gillies—									
2.....	6,891 14	5,309 29					6,326 59	6,554 68	6,752 72
2A.....	6,939 43	5,160 27							
4A.....		4,818 88					4,382 36		
Moody & Moore—									
1.....		4,737 90							
2.....		4,859 97		5,190 55					
3.....	6,787 83	5,537 22			6,860 00	7,258 94			
4.....		5,235 78		6,409 94					
5.....		4,078 89							
6.....	6,054 14	4,884 95		5,526 52					
7.....				6,199 13					
Van Norman—									
1 and 2.....	4,962 20				5,519 36	5,411 88	4,344 36		
3 and 4.....	5,541 38				6,680 34	7,118 83	6,184 04		
6.....	5,179 25	5,595 22			5,712 19	6,282 00		6,367 89	6,528 42
7 and 8.....	5,390 83				5,536 15				
9.....	5,402 33								
Savard—									
A1, A2, A3.....									
B1, B2, B3.....									
C1, C2, C3.....									
						5,638 37			
						6,879 29			
						7,775 39			

(Subject to adjustment on completion of cost audit.)