

Supply—Defence Production

Mr. Dickey: If I may say a general word, I think I may be able to resolve the hon. member's difficulty. He apparently does not quite appreciate the function of Defence Construction Limited.

Mr. Macdonnell (Greenwood): Oh, I think I do.

Mr. Dickey: He says it is a small organization with a small staff. That is true, but it is the corporation which enters into construction contracts in the defence construction program and it is the body that pays out all the money for those construction projects. In order to supervise those projects it has as an agent Central Mortgage and Housing Corporation and is required to pay quite considerable sums to that corporation for the services that it performs for Defence Construction Limited. As the minister indicated, the estimated amount to be paid to Central Mortgage and Housing Corporation in this fiscal year was \$3,308,500.

Mr. Abbott: That is the total vote.

Mr. Dickey: I am sorry, that is the total vote for Defence Construction Limited. But there is an additional requirement of \$232,016. There is required an additional management fee cost estimated by Central Mortgage and Housing Corporation at \$415,000. There are direct expenses incurred by Defence Construction Limited resulting from additional functions assumed during the fiscal year as follows: Salaries—(a) administration of building and maintenance, thirteen positions, and capital assistance, seven positions, with respect to programs which were taken over from the Department of Defence Production in July, 1952. I might say there that the president of Defence Construction Limited appeared before the defence expenditure committee a day or so ago and gave very full evidence about what had taken place at that time. Then (b), services such as central registry, mail room, plans and specifications, formerly performed by Central Mortgage and Housing Corporation, ten positions, and assumed by Defence Construction (1951) Limited in July, 1952.

Mr. Macdonnell (Greenwood): How much is that?

Mr. Dickey: That is an additional \$18,000; (c) administration of Cold Lake project, twelve positions, taken over from Central Mortgage and Housing Corporation in February, 1953, \$12,000. Against those expenses there are recoveries under these headings. There are quite a few of them. There are recoveries under furniture and fixtures—

Mr. Macdonnell (Greenwood): Give us the total.

[Mr. Macdonnell (Greenwood).]

Mr. Abbott: If my hon. friend would like to do a little arithmetic I can give him the amounts by which the estimates will be underspent. There is \$1,799 on furniture and fixtures; \$29,928—

Mr. Macdonnell (Greenwood): It is the total I wanted.

Mr. Abbott:—professional and special services, \$180,000 on the \$280,000 paid by Defence Construction Limited to the United States government. It is estimated that \$180,000 of that amount will be refunded. Then there is \$18,128 being the amount refunded by Central Mortgage and Housing Corporation. These are offsets against the gross additional requirement of \$530,000 odd, making a net of \$232,016.

Mr. Macdonnell (Greenwood): As far as I am concerned, this is a kaleidoscope. We are getting new figures every second. I thought I was getting somewhere because the parliamentary assistant told me they needed \$415,000 more.

Mr. Dickey: That was additional management fee and this other is offset.

Mr. Macdonnell (Greenwood): I thought I understood that was additional. Then there was \$30,000 more in additional direct expenses and another item making \$445,000. I think I am getting somewhere now.

Mr. Dickey: No.

Mr. Macdonnell (Greenwood): Then I thought the next figure he gave me was recoveries of \$429,000, and if my arithmetic is good that means we have a spread of \$16,000. I am sorry, but now that we have embarked on this I want to know where that \$232,000 is. I have not found it. I suggest it would be sensible—

Mr. Abbott: It is just a matter of arithmetic.

Mr. Macdonnell (Greenwood): I know it is but you and the parliamentary assistant have the figures there.

Mr. Abbott: Perhaps this will condense it a little more. Here is the total vote of the supplementary: Central Mortgage and Housing Corporation management fee, \$415,000 additional requirement.

Mr. Macdonnell (Greenwood): Check.

Mr. Abbott: Defence Construction Limited, direct expense, additional amount required, \$115,144.

Mr. Graydon: Check.

Mr. Abbott: Against these totals there are the following amounts estimated as not being required in the primaries already voted: \$1,799 underspent on furniture and fixtures;