

*Supply—Defence Production*

obtained \$40 million and expended \$19 million. We have not yet received the actual expenditures for the fiscal year 1955-56.

If we take these first four years of the life of the department in aggregate, we find that the department asked for and obtained votes totalling \$353 million and it actually expended—that surely is the best test of the actual needs—\$187 million.

**Mr. Howe (Port Arthur):** Mr. Chairman, that statement is not accurate because in those votes a considerable amount was for revotes. You are counting the same money twice.

**Mr. Fleming:** Now, those are the figures of the actual votes; those are the figures of the actual expenditures. I have a comment to make upon them if the minister will just bide his time. Those are the moneys the house was called upon to vote to date and those are the figures of the actual expenditures from government records. When the house is asked to vote moneys—

**Mr. Howe (Port Arthur):** It was not all new money, though.

**Mr. Fleming:** Mr. Chairman, those are the votes year by year that the house was asked to vote.

**Mr. Howe (Port Arthur):** But I am pointing out that a considerable part of the money was a revoice from the previous years.

**Mr. Fleming:** It does not matter about the revoice. You can measure, surely, the accuracy of estimating by what the department asked for each year and what it expended.

Now, Mr. Chairman, the bulk of the difference is in the figure on capital assistance. The next item accounting for some of the difference is the figure for Canadian Arsenals, but the great bulk of the difference between what was asked for and what was found to be necessary was in the figure on capital assistance. This year, of course, the figure on capital assistance is down somewhat from last year. We wish to have, in the case of each item, a statement of the amount actually expended last year, and that has not been available as yet. We will wish to know, with respect to each item, what in detail is the best calculation of requirement.

There are important questions that arise, and will arise, in the course of a review of the administration and operations of this department. The first question that naturally arises is as to the administration of the Defence Production Act itself. In the light of the extended debate that was held last year in reference to the time extension of the minister's wide powers under that act, I wish to ask how many orders have been

made under that act and ask for their listing or classification under the various sections of the act. In other words, what orders have been issued under each of the sections of the act conferring powers upon the government or minister?

I pass over, in the second place, the subject of the Northern Ontario Pipe Line and its relationship to Trans-Canada Pipe Lines in view of the announcement by the minister this morning that that corporation is going to be associated with him in his capacity as Minister of Trade and Commerce. We can come to that when the estimates of that department are before the committee of supply.

The third question that arises naturally in view of the discussion in other years is the relationship of the department with national defence. Are those relationships precisely the same as in earlier years?

Fourth, the minister has not made any comment upon the revolving fund in the department. In the annual report of the department there are certain financial statements to be found on pages 53 and 58 concerning the revolving fund. There is available in this department first of all under section 16 \$100 million, and under another vote in 1951 a further \$50 million, or an aggregate of \$150 million as a revolving fund. All hon. members will appreciate the difficulties presented in enforcing the strict rule of parliamentary control in the case of revolving funds. The Auditor General has been questioned in the public accounts committee and in other committees concerning revolving funds in other departments. The turnover of that fund many times, of course, does permit the use of the same funds many times over, and I think it only right and proper that this committee should ask for a much more extensive review and report of the operations of the revolving fund in this department than is contained in the annual report of the department.

There is another matter to which I have referred on other occasions. It is the matter of the distribution of purchases in the department. As the discussion proceeds there will be opportunity to develop this subject in its wider context, but while the committee has noted the statement of the minister of Wednesday last to the effect that the percentage of total purchases from the United States has been greatly reduced from the original 25 per cent in the first year of operations of this department to 2 per cent last year, one must, in looking at the figures contained on pages 46 and 47 of the 1955 annual report of the department, express again regret that the department did not find it possible to make in the United