

Supply—Transport

Telephone, Telegram and Communication Services, object 8, are increased by \$337,793 to a total of \$3,446,271. This is a substantial sum, but, only a small portion of it is spent for such normal communications costs as telephone calls and telegrams. More than 90 per cent of the total is for the direct leasing of telephone and teletype circuits in connection with air traffic control and meteorological services. Of this year's increase almost \$220,000 is for additional wire leases for air traffic control and \$60,000 for similar leases in connection with radio aids for flying. The actual amount spent on telephone calls and telegrams will not be substantially different from last year.

Publication of departmental reports and other material, object 9, is a small item and the increase of \$7,300 is attributable mainly to the biennial list of shipping, which is to be published next year. The small increase in advertising is explained by the publication of calls for tender, notices of expropriation and aviation notices.

Our purchases of Materials and Supplies under object 12 are down by \$188,480 to a total of \$6,753,884. We have been able to achieve a number of small reductions but the change results mainly from a saving on materials and supplies for airway and airport operation made possible by various economies, including the use of contract services for certain operations.

Object 13, Construction or Acquisition of Building and Works including land, shows a reduction of \$2,500,000, or seven per cent, to a total of \$32,418,000. This is attributable to the Canso causeway, which is now virtually completed. In our other fields of construction, small increases under one head offset small decreases under other heads. I shall mention later some specific projects.

Object 14 deals with the Repairs and Upkeep of buildings, and here there is an increase of \$219,945. Almost half of this increase is due to our providing for certain maintenance dredging in the St. Lawrence ship channel, and the remainder largely to the increased cost of repair of airport facilities and radio aids to navigation.

Our requirements for Construction or Acquisition of Equipment, object 16, are less by almost 20 per cent because of the completion of work on the two large auto ferries and the approaching completion of the two Newfoundland coastal vessels. These changes more than offset the increase of \$450,000 in the provision for construction of departmental vessels.

Object 17, Repairs and Upkeep of Equipment, is up \$229,966 or nine per cent. Most of this increase is explained by an increase

in the provision for repairs either to our departmental steamers, due to increasing work and increasing obsolescence, or to airport equipment.

Our requirements for Rental of Equipment, object 18, are increased by \$56,562 because of the increase in cost of chartering ships for our marine supply work in the Arctic, the provision for the work last year having proved to be insufficient.

The change in the cost of Municipal or Public Utility Services, object 19, largely the purchase of electric power, results from the growing activity of the department, although there are increases for the new transmitter at Goose, certain northern stations for weather services, and increased power costs at such points as Fort St. John and Norman Wells.

The twentieth object of expenditure, contributions, grants and subsidies, is increased by about 19 per cent to a total of \$16,158,353. This increase is largely due to the provision for the payments to the Canadian National Railways on account of construction of the Chibougamau branch line, and to an increase of almost \$1 million in the payments we expect to make under the Maritime Freight Rates Act.

The remaining objects of expenditure, covering pensions and other general items, do not, I believe, require comment, except to say that under object 33, Deficits of Government-Owned Enterprises, there is an increase of \$835,750. Though we expect smaller deficits next year on the Hudson Bay Railway and in the operation of the Prince Edward Island ferry, there will be a substantial increase to provide for the ferry service to Newfoundland.

Item 34 covers Estimated Savings and Recoverable Items which are offset against our expenditures. These include a number of miscellaneous expenditures recoverable from other departments for services operated for them. For example, meteorological services provided specifically and solely for the Department of National Defence represent a recoverable item of over \$1,800,000. The total of such items will be \$6,159,649, an increase of almost \$2½ million.

I think it would be of some interest to hon. members if I were to refer to some of the more important projects of my department at the present time.

The operations of our canals division will continue at about the same level of expenditure as in past years at just over \$6½ million. Because of the work in connection with the seaway, we are making arrangements for two-way navigation this year in the 14-foot