

Supply—Defence Production

My understanding is that Defence Construction Limited has only a small staff, but that a large staff of engineers is carried in national defence and Central Mortgage and Housing Corporation. I would like to know why we have to have this additional \$232,016?

Mr. Abbott: As my hon. friend is aware, an amount has already been voted for Defence Construction Limited to provide for expenses in connection with the construction of defence projects. Central Mortgage and Housing Corporation acts as agent for Defence Construction Limited and for the government in a great many of these things. This amount represents, first, an additional amount to cover administration and supervision on construction of four large projects by Central Mortgage and Housing Corporation which were done by Central Mortgage and Housing Corporation and which really reimburses that corporation and, secondly, for the building and maintenance program and capital assistance construction program from the Department of Defence Production.

There was originally voted under this vote \$3,308,500, of which \$3 million represented Central Mortgage and Housing Corporation management fees and \$308,500 direct expenses of Defence Construction Limited. It is now estimated that a total of \$3,640,516 will be required, of which extra there is some surplus in the direct expense vote of Defence Construction Limited, but \$415,000 additional will be required for Central Mortgage and Housing Corporation. It is really an interdepartmental bookkeeping entry.

Mr. Macdonnell (Greenwood): So far as Central Mortgage and Housing Corporation goes, it is perhaps easy to understand because I think they do go out and undertake building operations, but as I understand it, Defence Construction Limited is only a small organization which does a certain amount of managerial work. I do not understand that they do any construction themselves.

Mr. Abbott: Quite correct.

Mr. Macdonnell (Greenwood): I do not understand that there are obligations they have to undertake and I would assume that all they have to look after is staff.

Mr. Abbott: That is correct.

Mr. Macdonnell (Greenwood): This item of \$232,016 has nothing to do with Central Mortgage and Housing Corporation, as that comes later; this is all for Defence Construction Limited. I think we should receive more information as to just why this vote is necessary.

Mr. Abbott: I did my best to explain it. The original vote, which this is supplementing, was \$3,308,000—that has already been voted—and it was estimated that of that \$3 million would be required for the services of Central Mortgage and Housing Corporation. It is now estimated that Central Mortgage and Housing Corporation will require \$3,415,000.

It was originally estimated that the direct expenses of Defence Construction Limited would be \$308,500; it is now estimated that their direct expenses will be \$423,644, the additional amount being made up as follows:

Salaries	\$82,931
Travelling and living expenses	32,681
Telephones and telegraphs	4,301

And so on. I take it that my hon. friend is particularly interested in the increase in the direct expenses of Defence Construction Limited.

Mr. Macdonnell (Greenwood): If I have the figures correctly, they are \$82,000, \$32,000 and \$4,000, making a total of \$118,000 to cover the additional expenses of Defence Construction Limited. Am I correct?

Mr. Abbott: The figure I have is \$115,144.

Mr. Macdonnell (Greenwood): As I understand it, these figures do not include anything for Central Mortgage and Housing Corporation.

Mr. Abbott: Perhaps the minister's parliamentary assistant could give more of a breakdown than I have. I think it includes something for Central Mortgage and Housing Corporation.

Mr. Dickey: There is an addition to the management fee which is paid by Defence Construction Limited to Central Mortgage and Housing Corporation for the management that they do for Defence Construction Limited of defence projects.

Mr. Macdonnell (Greenwood): That amount is what?

Mr. Dickey: The amount that I have just mentioned totals \$415,000, but there are certain items that have been offset to reduce the amount that has to be voted as a further supplementary to \$232,016.

Mr. Macdonnell (Greenwood): I am sorry, I must plead whatever amount of stupidity is necessary, but I still do not get this.

Mr. Abbott: Perhaps this item could stand and a little later the parliamentary assistant could make it clear to the hon. gentleman.

Mr. Macdonnell (Greenwood): I do not want to hold this up at all but up to the moment I do not know where I am.