

Supply—Defence Production

in granting an increase in salary by way of promotion of a particular category from one pay bracket to another.

I should like to refer to the minister's main estimates, in which it is noted that in the year 1966-67, there were 65 people included in the \$14,000 to \$16,000 salary bracket, whereas this year, 1967-68, the figure increased to 571, which is an increase of 506 people. On the other hand, in the immediate next category below that bracket, \$12,000 to \$14,000, for the year 1966-67 the figure dropped to three persons.

I should like to know whether the minister eliminated that particular pay bracket. This underlines what I consider to be one of the reasons that the minister's department was high on the list compiled by the Auditor General in his recently tabled year-end report. I wonder whether the minister could give me an explanation of that.

Mr. Herridge: Mr. Chairman, I must say that I have noticed a few eyebrows being raised on the government side of the house. However, I can assure them that the hon. member for York-Humber, who periodically visits this group, has not made application for admission yet.

I rise, Mr. Chairman, particularly because reference was made earlier this evening to the policy of Crown Assets Disposal Corporation in disposing of armouries. I want to ask him about the disposal of an armoury and to get his advice, and I trust his sympathy.

The armoury at Nelson has for years been the headquarters of the militia there. At the same time it has been used by the navy and air cadets in that district. The militia unit there is now being trained in Trail with the rest of the militia unit, and I understand that the armoury at Nelson has been declared surplus and is for sale. Everyone in the district realizes that very good work is being done by the cadets, and those in charge of them. They are well sponsored by the citizens of the district. On that account they are very anxious to retain the armoury for the purpose of making use of it for the navy, army and air cadets.

I was very interested to hear the minister say that the province was given the first refusal and the municipality the second, but that the corporation could not favour one group or district as against the interests of the Canadian taxpayers as a whole. As a matter of fact, Mr. Chairman these cadets are actually saving the defence department money by

[Mr. Forrestall.]

using the armoury, and it is on that account that the city of Nelson, backed by the citizens of Nelson, are trying to purchase the armoury from Crown Assets Disposal Corporation.

I should like the minister to explain the procedure they should take, Mr. Chairman. I would also ask him to take note of the fact that if the building is purchased for the continued use of the navy, army and air cadets in the district this would actually save expenditure by the Department of National Defence. I think that is a matter for consideration; it is not a question of this being a strictly community effort. I wish the minister would advise me as to how these people should proceed; and I should like to know whether some consideration will be given to the fact that they are performing a very necessary function in relation to the operations of the Department of National Defence.

Mr. Drury: Mr. Chairman, in reply to the question asked about the number of people in a particular salary bracket provided for in the main estimates, I think that what the hon. member has observed is a rise in the general level of salaries, which is characteristic of the public service. If one translates one year to the next by moving up a bracket, in which case there is a corresponding increase in numbers, he will realize this is how this particular situation has arisen.

So far as the armoury at Nelson is concerned, Mr. Chairman, I was not aware that the operation of the armoury by the municipality is going to result in that municipality carrying what would otherwise be a charge on the Department of National Defence. If this is so, and national defence would otherwise be required to bear the cost burden, I would certainly be glad to have a word with my colleague, the Minister of National Defence, about the matter. Until I have done that I cannot offer any precise advice to the hon. gentleman.

● (9:10 p.m.)

So far as the question of the *Chaudière* is concerned, I assure the hon. gentleman for Vancouver East that no contract was let. Since no contract had been entered into with respect to *Chaudière* the question of contract cancellation does not arise. He may have been under a misapprehension in that tenders limited to the west coast shipyards had been called. It was ascertained on the strength of bids received that Burrard Drydock was the low bidder. But prior to entering into any contract the Department of National Defence advised us that they would not be proceeding