

Ways and Means

an inordinate share of the taxation. If this is so, there is no other industry to which this will apply more than to the pulp and paper industry because it is the big money earner for the federal government in terms of tax revenue. For all these reasons, therefore, Mr. Chairman, I want to completely remove myself from any identification of interest with the Anglo-Newfoundland Development Company Limited or the Bowater corporation, but I think we should have this year a study by the officials, not of the Department of Northern Affairs and National Resources but of the ministry of finance, of this whole question of taxation of the pulp and paper industry, and whether it does indeed put a crushing burden upon these corporations to the extent that they cannot carry out responsibilities in the field of forest management and silvaculture which legislation in almost all the provinces imposes but which is not now really implemented.

Motion agreed to.

Resolution reported and concurred in.

WAYS AND MEANS**INTERIM SUPPLY**

Hon. Donald M. Fleming (Minister of Finance) moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1960, the sum of \$616,654,878.69 be granted out of the consolidated revenue fund of Canada as set forth in the resolution concurred in this day in the committee of supply.

Motion agreed to, and the house went into committee, Mr. Rea in the chair.

Mr. Benidickson: With respect to the dozen items where more than one-sixth is being asked for, would the minister just indicate the reasons therefor?

Mr. Fleming (Eglinton): Mr. Chairman, the proper place to have asked that question, of course, was in the committee of supply rather than the committee of ways and means. The reasons, I think, are quite obvious if anyone will take the trouble to look at the items. The first is item 209 where an additional five-twelfths is being asked for in addition to the standard two-twelfths. This item is for purchases of air photography and the expenses of the interdepartmental committee on air surveys. There are contracts out for air photographs of the Arctic archipelago and these include provision for advance payments amounting to over one-half of this vote. I can enlarge on that if any hon. member is interested.

Then item 38 is an item of which we are asking for an additional one-third in addition

to the one-sixth. This item is for grants for research and investigations with respect to atomic energy. One-half of the amount of this vote is required for the first two months of the fiscal year for research projects carried out at the universities.

The next three items, namely items 175, 182 and 183 pertain to legislation, votes for the Senate and the House of Commons. Of course the rate of expenditure is governed by the session rather than by a uniform basis from month to month.

The next item is No. 358, an item in the Department of Public Works. This is an item to provide balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1959-60. By its nature this vote is subject to heavy expenditures in the early part of the fiscal year, as final payments are made on projects completed or nearly completed in the previous fiscal year. Expenditures to May 31 are expected to reach \$250,000.

The next item is No. 64 in the Indian affairs branch of the Department of Citizenship and Immigration. The additional one-twelfth, in addition to the one-sixth, is required to provide for teachers' salaries and tuition fees for Indian pupils because the schools are operated on a ten-month basis rather than a twelve-month basis and expenditures arise in that proportion rather than on a monthly basis.

The next item is No. 210, an item respecting the polar continental shelf project. This is a project which will end in June or July. Consequently there is a concentration of expenditures in the first part of the fiscal year.

As to items 259, 384 and 451, I think it is quite obvious what the reasons are. In the case of item No. 259, the additional one-twelfth is asked for because the bulk of this vote is for salaries. April and May are the peak work load months, during which seasonal help is required to process tax returns.

In the case of item No. 384, an item for the standards branch of the Department of Trade and Commerce, expenditures under this item are heavier in the spring and summer months because the inspectors cannot travel in the rural areas in the winter.

In the case of item 451 under the Department of Veterans Affairs treatment services, may I point out that this vote provides for net treatment expenditure after recoveries from outside sources. The introduction of provincial health insurance programs will increase substantially the proportion of gross