

Public Printing and Stationery Act

the amount owing is \$2,265,000, plus something for wages. Let us hear how that overdraft is built up. What does that represent? Is that a loss or how is it built up, and over what period has it been built up?

Mr. Bradley: Possibly this may throw a little light on the subject. First, as I have already pointed out, the costs of both material and labour have gone up substantially in the last four or five years. In addition to that we have to keep larger stocks on hand all the time by reason of the increased activities of the government. With the increased stocks that we have and the increased price of those stocks, plus the fact that we have to buy substantially in advance—in some cases suppliers require six months in order to make deliveries—our inventories are built up.

I should like to draw to the attention of the committee one or two facts in connection with these increased costs. The increase in the cost of stationery amounts to about 50 per cent. The volume of our stationery stocks has increased from roughly \$190,000 in 1946 to about \$880,000 today, an increase of nearly 30 per cent. The increase in paper printing stores was from \$482,000 to \$760,000, an increase of 60 per cent. Our wages have gone up from \$1 per hour to \$1.65 per hour, an increase of 65 per cent. Members of the committee will recall that our inventories have gone up by 50 per cent during that period. In 1946 the inventory amounted to \$1,041,631, and in 1951 to \$2,219,000, an increase of over 100 per cent.

Mr. Macdonnell (Greenwood): That goes some distance towards explaining it. I admit that we are gradually getting more light on it. I still feel we have only got the story in bits and pieces. So far as I am concerned I think we should have a clear picture of the whole business. Nothing has been said yet which satisfies me as to this \$3,700,000; nothing has been said to satisfy me why that amount needs to be outstanding. I shall admit quite frankly that if this passes now I shall not fully understand the position. I believe I am entitled to understand it. As I say, the story has been dug out in bits and pieces this afternoon. I suggest that this section stand until we get a clearer view of the whole position. The minister has explained part of the overdraft by saying his stock in trade is much higher than it was, but so far as I can see there is nothing to tie those figures up as yet.

Mr. Bradley: May I also point out that work in process, for which we cannot collect until it is completed, amounts to \$2,394,000.

Mr. Knowles: Is any of that included in the \$3,700,000?

Mr. Bradley: No.

Mr. Macdonnell (Greenwood): I feel it is not proper to let this pass without the house having before it more information concerning what it is asked to act upon. I submit that if one looks at the record, unless he has a genius which I do not have, he will not know what the story is.

Mr. Knowles: I want to support the position taken by the hon. member for Greenwood, that this matter should stand over until we have a more complete explanation. I believe there is another point that has come out which has not yet been made clear. As I listened to the figures given by the two ministers it seemed to me that the position as of yesterday showed a shortage of less than \$2 million. When those figures were all added up, the overdraft—

Mr. Bradley: It is slightly more.

Mr. Knowles: The minister gave the overdraft with the receiver general, and set against that the accounts receivable and the cash on hand and came up with a figure of \$1,700,000 or something like that.

Mr. Bradley: It is \$1,803,000.

Mr. Knowles: Yes; and as it now stands the terms of the statute allow an overdraft of \$2 million. As of the moment that seems to be sufficient. The net position as of yesterday is an overdraft of \$1,803,000, and by the act as it now stands you are permitted to have a \$2 million overdraft, while the bill before us asks that we allow a shortage of up to \$4 million.

Mr. Bradley: No, Mr. Chairman; the shortage, if I may put it that way, was \$1,803,000, against which we have a revolving fund of \$2 million. That leaves us with a balance in cash on hand of \$196,000. As against that we owe to outside firms \$2,425,000, so we are short on our accounts to our suppliers to the extent of \$2,229,000.

As I have already pointed out, it must be borne in mind that this is not a case of isolated items for various departments, one now and one some other time. This is something that is going on all the time, month in and month out. Presumably the departments are paying monthly—I do not know that—but moneys are coming in every day. However, there is always a new account sent in immediately, perhaps before the one which went in a few days ago has been paid; so that in point of fact there is always work being delivered and work being completed. As fast as one account is paid, perhaps faster, another one is incurred. It is for that reason that this amount of \$3 million odd is always outstanding.