

Supply—Atomic Energy

NATIONAL RESEARCH COUNCIL AND
ATOMIC ENERGY

Atomic Energy of Canada Limited—research program—

595. Current operation and maintenance—further amount required, \$155,000.

Mr. Green: Item 595 has to do with Atomic Energy of Canada Limited. There was a vote in the main estimates of \$3,379,765. Then in last year's supplementaries there was a further vote of \$250,000, and now we are asked to vote an additional \$155,000. Can the minister tell us why this additional vote is necessary?

Mr. Harris: Yes, Mr. Chairman. This is the result of a change in the method of accounting and bookkeeping with respect to the houses and properties at Chalk River. After the estimates were made up last year there was a decision made that certain costs would be amortized, and that the cost of doing that would be charged against this item. The \$155,000 referred to here is the cost in connection with the sum of \$2,843,174, which is more particularly referred to in item 597, the second item from this one.

Mr. Green: Then I take it this vote of \$155,000 does not mean the expenditure of any additional money?

Mr. Harris: No.

Item agreed to.

Atomic Energy of Canada Limited—research program—

596. Construction or acquisition of buildings, works, land and new equipment and to authorize Central Mortgage and Housing Corporation to undertake construction of works at Deep River for Atomic Energy of Canada Limited—further amount required, \$1,106,000.

Mr. Green: There is a similar situation with respect to this vote. The vote in the original estimates was \$4,805,010. Now we are asked to vote an additional \$222,000 for the construction of buildings and works and so on at Deep River. For the moment I am not mentioning the other part of the vote, which has to do with the reactor. Can the minister tell us why this additional vote of \$222,000 is necessary?

Mr. Harris: These are actual expenditures, Mr. Chairman, and the first item is a metals preparation shop at a cost of \$400,000, a pilot plant extension building, a diluting fluids disposal building, a uranium storage building and certain other facilities and equipment.

Mr. Green: The figures the minister has just quoted are considerably in excess of the \$222,000 which is found in the details for this vote.

Mr. Harris: There is a 65 per cent reduction in connection with a certain refundable item. If my hon. friend wants to go into detail I can read it, but I think when he gets to the next item he will see the point of it.

[Mr. Knowles.]

Mr. Green: Of this vote of \$1,106,000 the sum of \$884,000 is described on page 21 as being—

Portion of cost of new reactor (NRU) representing the increase from 26 per cent to 35 per cent in the percentage of the cost of construction chargeable to the research program of the company, for the fiscal year 1954-55.

Does that mean the work was proceeded with more rapidly than had been expected when the original estimate was made, or just what is the explanation?

Mr. Harris: The explanation is something like this. Originally it was intended that the cost of these buildings would be divided between the portion which it was thought would be of a commercial nature and the portion which would be used for purposes of the atomic energy program itself. That portion was worked out at 26-74 per cent. It is now intended to change that to 65-35 per cent, and these items have to do with the alteration of the bookkeeping items of atomic energy and the government of Canada to make that change possible by writing down the cost in one case and cancelling certain capital stock in the other.

Mr. Green: How do those percentages apply under the new plan? I am not quite sure which was 65 per cent.

Mr. Harris: 65 per cent is the commercial item, and 35 per cent is the non-commercial item.

Mr. Green: That is, 65 per cent of the product is to be sold; is that the idea?

Mr. Harris: That is right.

Item agreed to.

Atomic Energy of Canada Limited—research program—

597. To authorize (1) subject to the approval of the governor in council, amendments to the agreement dated the 22nd day of January, 1953, between Her Majesty the Queen in right of Canada and Atomic Energy of Canada Limited (hereinafter called "the company"), to provide for (a) the write-up in the accounts of the company in the sum of \$2,843,174 representing the depreciated value as at March 31, 1954, of the housing accommodation at Deep River previously written off to the research program of the company; (b) the issuance by the company of obligations in the sum of \$2,843,174 in such form and upon such terms and conditions as the governor in council may approve; (c) the write-off in the accounts of the company in the sum of \$1,405,845, representing the increase from 26 per cent to 35 per cent in the percentage of the cost of construction of the new reactor (NRU) from inception to March 31, 1954, chargeable to the research program of the company, and other minor adjustments; and (d) the cancellation of the capital stock of the company in the amount of \$1,405,845; and (2) the necessary entries and adjustments in the accounts of Canada in connection with the matters mentioned in paragraph (1), \$1.

Mr. Green: This item is very hard to understand, at least for the layman.