

Supply—National Defence

Mr. Robichaud: Is it under a separate item?

Mr. Fleming (Eglinton): None of it is under this item.

Mr. Pickersgill: Or the main item?

Mr. Fleming (Eglinton): That is right.

Item agreed to.

DEPARTMENT OF NATIONAL DEFENCE

Defence Services Pension Act—

671. To authorize payment of an amount of \$1,431.02 (to be charged to the permanent services pension account) to former Flying Officer T. R. Dunbar (33732) in an amount equal to the difference between the gratuity which was paid to him under section 51 of the Defence Services Pension Act and the amount he would have received had he been paid a gratuity equal to his contributions under section 52 of the said act, \$1.

Mr. Pickersgill: Mr. Chairman, this is a dollar item and I do not think any dollar item should be allowed to pass without an explanation.

Mr. Fleming (Eglinton): I quite agree, Mr. Chairman. This item has to do with a situation involving the flying officer named in the item who was in the air force to begin with on a short service commission. On retirement, he was paid a gratuity for that period of service plus a refund of deferred pay withheld during a particular period. Then he re-entered the Royal Canadian Air Force on a long service commission in April, 1957. He was retired on July 2, 1959 as medically unfit and had no option under the existing regulations except to accept a gratuity.

However, under the revisions in the act which received royal assent last July he would have enjoyed the option had the act applied to him of accepting either a gratuity covering the whole period of service or the repayment of his pension contributions without interest, whichever would be the greater.

In brief, because he just missed out on the effect of the legislation it was the view of the government that it would be only fair to put him in the same position he would have been in if the act had applied to him.

Mr. Pickersgill: Is the case unique?

Mr. Fleming (Eglinton): I understand so. It came before treasury board and treasury board considered it on the basis of a possible ex gratia payment. It was felt the more proper course, having regard to control of parliament, was to bring it before the house in this way.

Item agreed to.

[Mr. Fleming (Eglinton).]

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Water resources branch—

672. Saint John river—federal expenditures in connection with investigations to be carried out by the Saint John river board—further amount required, \$25,000.

Mr. Robichaud: I understand that this item has to do with the federal contribution to the investigation which is being carried out by the Saint John river board. Could the minister give us some details about this investigation and the work which has been done so far? Could he tell us what has been the federal government's share of the cost, and whether the province of New Brunswick has contributed to the cost of this investigation?

Mr. Fleming (Eglinton): In March, 1959, pursuant to an agreement between the government of Canada and the provincial government in New Brunswick, a four-man board was established to plan, supervise and carry out an investigation to determine how present and future power developments in New Brunswick would be affected by the development and operation of storage on the upper Saint John river and its tributaries. An equal proportion of the cost was to be paid by the two governments. The board was directed to report its findings to the two governments not later than June 30 next.

I am informed that satisfactory progress is being made with the studies essential to the completion of the task, and present indications are that work will be completed and a report made by that date. As to the cost, it was estimated originally at \$150,000. That proved to be an underestimate, and the estimate has now been revised upwards to \$235,000. Canada's share is 50 per cent.

Mr. Robichaud: Could the minister tell us the names of the members of the board?

Mr. Fleming (Eglinton): There are two officials from the Department of Northern Affairs and National Resources, and two members appointed by the government of New Brunswick.

Mr. Robichaud: In other words, the salaries of these men are already covered by the estimates of the department of northern affairs, and this total amount is for other expenditures.

Mr. Fleming (Eglinton): That is my understanding.

Item agreed to.