

Dr. DAVIDSON: Here we get into loans, investments and advances. These dollar items are essentially for the purpose of establishing revolving funds. I described the purpose of that earlier. It merely is for the purpose of enabling us to get a working capital advance which will enable us to purchase supplies and then to charge as an expenditure to the correct fiscal year the cost of those supplies as they are in fact being used.

Senator GROSART: Might I say that in my judgment if all of these \$1 votes were as frank in their wording as this one, I would not be bothering you with so many questions.

Dr. DAVIDSON: Yes. Then the one further down the page is the same. Within the next few months it is anticipated that the Government will require a great deal of hotel accommodation in Montreal in connection with Expo. Furthermore because of the difficulty of getting accommodation at Expo and because a number of departments such as Trade and Commerce, External Affairs, Agriculture and numerous other departments have special requirements for accommodation there, partly for the use of their own officials and partly because they are receiving delegations from overseas, it is desirable to assure that there will be a supply of accommodation in Montreal for the purpose of all government departments. Rather than have 20 or 25 different departments of the Government each going down to try to grab hold of some accommodation, it was decided it would be preferable to ask the Department of Defence Production, which is being converted into a department of common procurement, to obtain the accommodation on a block reservation basis.

Senator ISNOR: This expenditure is being made in connection with privately owned hotels?

Dr. DAVIDSON: Yes.

Senator ISNOR: In other words you are subsidizing the hotel business.

Dr. DAVIDSON: No.

Senator ISNOR: Just a minute, now.

Dr. DAVIDSON: There is a revolving fund already available to the Department of Defence Production. The department already has money in this revolving fund that it can pay out subject to recovery from other government departments. It can pay out moneys for certain purposes such as the purchase of supplies. If the Department of Public Works wants to get some pencils or some paper it requests the Department of Defence Production to purchase such paper or pencils or whatever equipment it may need—typewriters or filing cabinets. It may be purchasing for a dozen different departments. It buys the supplies in bulk and pays for them out of this revolving fund and charges the Public Works department or any other department for whatever supplies they require, whether it be filing cabinets or typewriters. What is done here is to extend the purposes of this fund to hotel accommodation in Montreal during this period so that if I want hotel accommodation during Expo, for business purposes, my department will ask the Department of Defence Production to obtain this hotel accommodation for me. The Department of Defence Production has retained en bloc a certain amount of hotel accommodation in order to assure that there is accommodation available. When that reservation is made they will pass on the charges to me for the hotel accommodation for the individual night that I occupy it, and it will be charged to my department. However, since this accommodation will be reserved on a block basis there may well be nights on which some of the space will be vacant.

Senator HAIG: When can we apply for those?

Dr. DAVIDSON: Well, there is no reason why it should not be available to senators. But the Department of Defence Production pays for this out of the revolving fund subject to seeking reimbursement.