

DEPARTMENT OF MUNITIONS AND SUPPLY

Estimated Expenditures 1945-1946

	Estimated Apr. 1 to Aug. 31/45	Estimated for year 1945-46	Actual Apr. 1 to Aug. 31/45	Estimated Sept. 1 to Mar. 31/46
Expansion of industry				
Additions and extensions to plants	\$12,500,000	\$ 15,000,000	\$ 2,340,413	\$ 12,659,587
Cargo vessels operated by Park Steamship Co. Ltd...	12,500,000	27,000,000	23,380,058	3,619,942
Housing development	4,500,000	30,000,000	868,590	29,131,410
Miscellaneous property ac- quired	2,000,000	3,000,000	147,636	2,852,364
Production subsidies and other miscellaneous war expenses	12,500,000	25,000,000	14,795,558	10,204,442
	44,000,000	100,000,000	41,532,255	58,467,745
Termination of contracts		175,000,000	4,546,625	170,453,375
	44,000,000	275,000,000	46,078,880	228,921,120
Departmental administration ..	4,500,000	7,000,000	3,187,059	3,812,941
	48,500,000	282,000,000	49,265,939	232,734,061
Loans to commodity companies				
Recoveries in excess of advances		+5,000,000	+3,538,368	+1,461,632
Revolving funds for working capital				
Recoveries in excess of advances		+150,000,000	+125,388,331	+24,611,669

It will be noted that there is an additional item in this year's estimates, item No. 6, termination of contracts. This is not a new expenditure, since the funds appropriated under this item are offset by an equivalent reduction in the estimates of requisitioning agencies, namely, army, navy, air force and mutual aid, which would, under earlier practice, be charged with cost of cancellation of contracts placed in implementing the requisitions of each of those departments. A separate appropriation for termination of contracts has the effect of cutting red tape, and thus speeding up the work of contract settlement.

A comparison of estimated and actual expenditures for the period from April 1, 1945 to August 31, 1945, will show that the expenditures of the department are slightly above the estimate which I presented to the house on April 10 last. This increase is the result of expenditures arising from the cancellation of contracts for which no estimate was made. It will be noted that the estimated expenditures for the period from September 1, 1945 to March 31, 1946, amount to \$232,273,061. It may be asked why an expenditure of this order is required now that hostilities have ceased. The answer is that the work of the department in terminating contracts and in liquidating Canada's munitions programme involves a scale of activity for the balance of this fiscal year comparable with that of the war years. I

will give the house a brief description of each of the items contained in the break-down that has been distributed to hon. members.

Item No. 1 provides for an expenditure of \$12,659,587 for additions and extensions to plant. Of this amount, the major part will be required for the completion of the Chalk River atomic energy project. The balance of the expenditure will be used to meet unpaid balances of commitments which were made prior to September 1.

Item No. 2—Cargo vessels operated by Park Steamship company. The amount required under this item will be used in payment for three 8,500-ton diesel driven cargo vessels on order at Park Steamship Company Limited which had not been delivered as of September 1.

Item No. 3—Housing development. The committee will recall that Wartime Housing Limited was established to provide emergency housing for munitions workers. Recent housing surveys concerned with the housing requirements of veterans, indicate that the most pressing need is for a low-rent house. Despite the large private housing programme now under way in Canada, there has been little disposition on the part of private builders to enter the low-rent field. In order that our returning servicemen may be able to find accommodation at low rentals, it was decided last July that a programme of low-rent hous-