

Mr. SPEAKMAN: Then we have established a precedent.

The CHAIRMAN: Yes, we have established a precedent in a further way this morning.

Could we proceed now to item 449, district services—administration. The details are on page 551.

Mr. Mace can assist with any questions you might have on item 449.

#### ADMINISTRATION

449. District Services—Administration ..... \$3,271,281

Mr. HERRIDGE: Why for the first time apparently do we have this item of \$1,750 in regard to unemployment insurance contributions?

Mr. F. T. MACE (*Assistant Deputy Minister*): Mr. Herridge, this is the government's share as an employer in payment of unemployment insurance contributions in respect to prevailing rate employees. It had previously been the practice, for the Department of Finance to bear the cost of this expense; but, I think, this year for the first time they are charging the departments and making them pay their own expenses. Is that clear, sir?

Mr. HERRIDGE: Yes. I was wondering; I have never seen it before.

Mr. MACE: No. You will notice this appears as an item in a number of the votes for the first time in 1959-60.

The CHAIRMAN: Have we completed our discussion on item 449?

Mr. ORMISTON: Mr. Chairman, with regard to repairs and upkeep of equipment, what percentage of the actual expenditure is expended on repairs; may we have an idea.

Mr. MACE: The repairs, arising from accidents sir, are estimated to be about \$2,000 in 1959-60. The bulk of the expenditure is for the normal maintenance and upkeep of the vehicles.

Mr. ORMISTON: The reason I asked is that in most companies which maintain equipment they keep their repairs to a certain percentage of the capital cost. If the percentage goes above 10 per cent or 15 per cent they realize that there is probably faulty maintenance. I would like to obtain the figure which the department maintains is a reasonable one.

Mr. MACE: I do not think, sir, quite frankly that we have any set percentage. The whole matter of government motor vehicles is controlled through the government motor vehicle committee. They have set a standard of roughly 60,000 miles as the minimum mileage at which you might consider replacing the vehicles. This, of course, is subject to how the vehicle is running. Many cars run well over 60,000 miles and a great number break down well before that. We leave the control of our vehicles in the hands of our engineering division, and if they see a car is breaking down quite frequently, involving major repairs, they refer it back to the district and suggest they consider its replacement. I am not aware however of any specific percentage we use.

Mr. McINTOSH: You still have not any idea of the unexpended portion of last year's estimate.

Mr. MACE: In this particular category?

Mr. McINTOSH: In all of them.

Mr. MACE: If you will look at the statement you have attached to the folder I distributed, on the inside you will see the estimated expenditures for 1958-59 compared with our appropriation. So the difference is the unexpended balance. Does that answer your question Mr. McIntosh?

Mr. McINTOSH: You are not answering my question. The latest forecast of expenditures let us say, for example, \$5,900, under "Sundries"—item 448,