

*Supply—Defence Production*

86. Care, maintenance and custody of stand-by, crown-owned plants, buildings, machine tools and production tooling, \$750,000.

**Mr. Green:** Is it expected that the amount required this year will be approximately the same as last year?

**Mr. Howe (Port Arthur):** That is for care and maintenance?

**Mr. Green:** Yes.

**Mr. Howe (Port Arthur):** I believe that is an amount that will grow. There is a study going on as to how to maintain a plant in operative condition without operating it. We have had people down in the United States studying their methods; one is the stand-by under power and another is mothballing. This is the expenditure under which we finance the laying up of plants out of active operation. The amount may increase, but we believe \$750,000 is a reasonable expenditure for this year.

**Mr. Green:** The reason I ask the question is that when one turns to the details on page 169, we find that although the vote last year was the same, \$750,000, there was only some \$425,000 spent. It would seem that there could be some reduction in that vote unless additional work has been undertaken for this fiscal year.

**Mr. Howe (Port Arthur):** This is a growing problem. As the process continues there will be plants going out of production for the time being, for instance a gun plant or an ammunition plant. There is an expense even in dismantling the plant and storing the equipment. The practice here and in the United States at the moment is not to dismantle the plant while the threat of war continues, but to mothball the plant and keep it ready for action. As more plants come in for this treatment the amount required for the purpose will grow.

**Mr. Green:** Are more plants being mothballed all the time?

**Mr. Howe (Port Arthur):** Yes, or it may be one production line that is mothballed. It may not be the entire plant. For instance, we may have a production line for war vehicles, and when the required number of vehicles is produced, we would mothball the line and keep it there. If more vehicles are required we can start the line up again.

Item agreed to.

87. To provide capital assistance for the construction, acquisition, extension or improvement of capital equipment or works by private contractors engaged in defence contracts, or by crown plants operated on a management-fee basis, or by crown companies under direction of the Minister of Defence Production, subject to approval of treasury board, \$8,250,000.

**Mr. Green:** The same remarks apply to this item. Last year there was a vote of \$24,500,000. When we turn to the details on page 170, we find that the estimated total amount spent was only \$8,820,891, that is about \$16 million less than the vote. The amount asked for this fiscal year seems to be just related to the amount that was actually spent during the last fiscal year. Has the minister any closer estimate of the amount that will be required during the present fiscal year?

**Mr. Howe (Port Arthur):** Yes, we think this covers the cost of the facilities we feel we will require this year for the work in sight. We are constantly endeavouring to cut down that amount, but we have to provide for it. We suggest to a contractor he could very well construct a building with his own funds and take accelerated depreciation. It is a vote that you can never be sure will be required, but you must estimate the amount that will be required and try to get along with less. I think that is the way to put it.

Item agreed to.

*Crown companies—*

89. To provide for expenses incurred by Defence Construction (1951) Limited in procuring the construction of defence projects on behalf of the Department of National Defence, \$3,500,000.

**Mr. Macdonnell:** I want to ask the minister a question on this item, in connection with crown assets disposal. Would the minister tell me how many employees there are in that organization, roughly?

**Mr. Howe (Port Arthur):** I am sorry, but we do not seem to have the figure. I shall be glad to try to get it this evening, but there are around 75 employees.

**Mr. Macdonnell:** Crown Assets is the successor to the war assets corporation?

**Mr. Howe (Port Arthur):** Yes.

**Mr. Macdonnell:** How would the number of employees compare with the number seven or eight years ago?

**Mr. Howe (Port Arthur):** We had thousands at one time. After the war we delivered all the surplus material to the war assets corporation to store, process and get rid of. Today the Crown Assets Disposal Corporation is the disposal agency for all government property. Instead of each department selling