

*Defence Purchasing Board*

through his estimates. For instance, look at page 136 of the estimates, where you will see the following item:

Training of pilots (equipment and properties)  
—Capital stores and equipment—

New aircraft and engines (commitments \$441,840), \$1,933,160.

Aircraft spares for stock (commitments \$200,000), \$115,000.

The advance commitments are there shown. I do not want to lay it down as a principle that can be always followed, that you can definitely say what your advance commitments are; but that is the method of advising parliament as to what is involved in regard to commitments for future years.

Mr. CAHAN: This information is interesting; but unless parliament has authorized commitments, future payments in respect of those or any unauthorized commitments are entirely within the discretion of parliament, and when the time comes for payment, parliament must authorize the expenditure. Otherwise the contractor has to depend upon the personal promises of members of a government, which are usually effective but which are, at times, not of very much value.

Mr. DOUGLAS (Weyburn): Could we just get this clear from the Minister of Finance. For instance, on page 135 of the estimates I find the following:

Air Force Stores—Capital—

Aircraft and engines (commitments, \$2,350,000), \$8,876,848.

What is the explanation of that?

Mr. DUNNING: That is very clear. The total vote for aircraft and engines for this year is \$8,876,000; but what is contemplated within that limit also involves commitments of \$2,350,000 for future years. Does my hon. friend get it now?

Mr. DOUGLAS (Weyburn): Out of the \$8,000,000?

Mr. DUNNING: No, in addition to the \$8,000,000, but which cannot be expended in the year for which the \$8,000,000 is asked because there are payments due under contracts which will not mature within the year, but which parliament ought to know about.

Mr. DOUGLAS (Weyburn): And which will be authorized in future estimates?

Mr. DUNNING: Surely.

Section agreed to.

On section 18—Amortization of sums issued out of consolidated revenue fund for capital expenditures.

[Mr. Dunning.]

Mr. MacNEIL: Why should it be necessary to have a separate financing plan for this department?

Mr. DUNNING: I spent ten minutes trying to explain that in a sense I am using the Department of National Defence as a guinea pig for experiment in connection with something which I believe would be desirable to extend much further in connection with capital commitments.

Mr. CAHAN: As a capital experiment.

Section agreed to.

Section 19 agreed to.

On section 7—Maximum net profit.

Mr. LAWSON: My recollection is that the last time this section was under discussion it was made pretty clear to the committee that this bill would apply only to a very limited, or should I say merely a limited, number of contracts.

Mr. CAHAN: This section?

Mr. LAWSON: This section and the bill as well, as a matter of fact, because you have to link section 7 to section 4 and section 2 (b). My recollection is that the minister was going to try to give us an estimate as to the number of contracts in respect of which there would be invited tenders, the number that would be advertised for public tender, and the number that would come under the provisions of this section.

Mr. MACKENZIE (Vancouver): The taxation provisions apply to a specific form of contract; that is, under section 7 of the bill.

Mr. LAWSON: I am sorry; I did not quite follow that.

Mr. MACKENZIE (Vancouver): The taxation provisions of the bill apply to section 7; that is, to contracts which cannot be let under the system of competition by public tender, or with the amendment we passed this afternoon.

Mr. LAWSON: Yes; we are agreed on that, but the minister was going to try to give us an estimate as to what percentage of the whole expenditure of the department would be affected by this bill.

Mr. MACKENZIE (Vancouver): My recollection is that it was about fifteen per cent, as far as we could ascertain it.

Mr. LAWSON: Fifteen per cent of all contracts?

Mr. MACKENZIE (Vancouver): For the last two years.