

Supply—Post Office

know that if repair parts and other things that become obsolete in the normal course of events on my own farm are allowed to accumulate at all, the amount involved goes far beyond what a lot of people would think would be reasonable. Looking at the matter from the standpoint of development in the north, I do not see anything wrong with the item in the estimates.

The minister has mentioned certain articles that deteriorated in storage in the north. The thought occurs to me that sometimes the plans of the department change. I know that in every business plans change from time to time. We all know that cement, if not used at once, will deteriorate. I venture to say that if the minister has ever bought any cement there has been some deterioration and I take it he thinks he is a pretty good manager.

Item agreed to.

POST OFFICE DEPARTMENT

Id. Postal services, \$328,700.

Mr. Howard: There is an item in the vote of \$19,700 for mail bags and letter carrier satchels. Can the minister tell us if this for purchases or repair of these items and where do we get them—from penitentiaries?

Mr. McIlraith: This is an item to permit the write-off of this amount of money for equipment which has become obsolete on the inventory.

Mr. Howard: If that is what it is, why is it listed under operations including salaries and other expenses of staff post offices, railway mail service staffs, etc.? If it is a write-off for material that has become obsolete, why does it not say so? I think it is somewhat misleading.

Mr. McIlraith: Well, Mr. Chairman, the method of making up the public service accounts must account for every item that is purchased. The practice has been to show it in the estimates. It is a matter of following the previous form. I do not say it is right. I did not look at it critically when the item was printed; perhaps I should have.

Mr. Howard: Could we ask that in future, if it is a write-off of obsolete or outworn equipment, that it say so; then we will know what it is?

Mr. McIlraith: I will certainly look at this point.

Mr. McIntosh: Could the minister explain the expenditure of \$275,000 for mail service by air? What does that cover, and where?

[Mr. Nasserden.]

Mr. McIlraith: Yes, it results from the increase in volume from air mail. There is an increase in the volume which results in an increase in the cost of carrying the mail.

Mr. McIntosh: The Postmaster General told us during consideration of his estimates that the charges for air mail carried the cost and there was no subsidy.

Mr. McIlraith: It does, but the method of accounting is that revenue is not shown as an offsetting item. We vote the post office the whole amount.

Mr. MacInnis: Would the minister take notice of a recent statement made by a highly placed official in the post office, that it is no longer safe to drop first class mail in letter boxes?

The Acting Chairman (Mr. Tardif): Shall the vote carry?

Mr. MacInnis: I should like some kind of explanation.

Mr. McIlraith: Yes, I will give an explanation. I never heard that statement before.

Mr. MacInnis: Will the minister bring it to the attention of the Postmaster General, who probably has not heard it either?

Mr. McIlraith: Yes.

Item agreed to.

PRIVY COUNCIL

15d. Expenses of the royal commissions listed in the details of estimates, \$195,500.

Mr. Peters: May we have an indication if the report of the inquiry into the serious air crash outside Montreal is available?

Mr. McIlraith: No; I have an indication it is expected to be completed by the end of April, 1965.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

30d. Harbours and rivers engineering services—Construction, acquisition, major repairs and improvements of, and plans and sites for, harbour and river works (including expenditures on works on other than federal property); provided that no contract may be entered into for new construction with an estimated total cost of \$50,000 or more unless the project is individually listed in the details of estimates, \$1.

Mr. Peters: A few minutes ago the minister of northern affairs mentioned the water and sewage branch of northern affairs. I see there is an item here for a water system, and the only one of which I know is in the area of Churchill, \$165,000. I presume this is an addi-