

HOUSE OF COMMONS
Fifth Session—Twenty-first Parliament
1951
(Second Session)

SPECIAL COMMITTEE
ON
DEFENCE EXPENDITURE

Chairman—Mr. DAVID A. CROLL

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 3

MONDAY, DECEMBER 10, 1951

WITNESSES:

Mr. M. W. Mackenzie, C.M.G., Deputy Minister, Department of Defence
Production.
Mr. C. M. Drury, C.B.E., D.S.O., E.D., Deputy Minister, Department of
National Defence.

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ERRATUM

Minutes of Evidence of December 6—No. 2

Page 53—delete paragraph 6 and substitute the following therefor:

"Part of the information was given the other day in the House on Orders of the Day. The whole information as to why the De Havilland Comets were purchased should be produced to the Committee. I am not clear whether this evidence could be given by either of the Deputy Ministers from the two Departments here to-day but it is available in the Department and could be brought forward. The two aircraft, namely the de Havilland Comet and the Avro Jet Liner are not comparable but the reasons why they are not comparable are more or less technical. I think the Committee should have the reasons for the purchase and they can be produced."

MINUTES OF PROCEEDINGS

MONDAY, December 10, 1951.

The Special Committee on Defence Expenditure met this day at 11 o'clock a.m. Mr. David A. Croll, Chairman, presided.

Members present: Messrs. Adamson, Balcom, Blanchette, Campney, Cavers, Churchill, Drew, Fulton, Gauthier (*Portneuf*), George, Harkness, Henderson, Jones, Macdonnell (*Greenwood*), MacDougall, McCusker, McIlraith, Power, Quelch, Stick, Weaver, and Wright. (23).

In attendance:

From the *Department of Defence Production*: Mr. M. W. Mackenzie, Mr. T. N. Beaupre, Mr. G. W. Hunter and Miss Ruth E. Addison.

From the *Department of National Defence*: Mr. C. M. Drury, Mr. E. B. Armstrong, and Mr. A. S. Duncan.

From the *Department of Finance*: Mr. R. B. Bryce.

The Chairman tabled:

1. P.C. 6171—Composition of the Treasury Board.

(See Appendix A),

2. Mimeographed copy of Mr. Bryce's statement made on December 6, copies of which were mailed to the members of the Committee. (See Appendix I to Evidence of December 6, No. 2),
3. A correction in Mr. Mackenzie's statement made on December 6 last, copies of which were also mailed to the members.

The Committee resumed its consideration of defence expenditures and commitments.

Mr. Mackenzie was called. He gave full particulars with respect to the purchase of two De Havilland Comet aircraft, as asked by Mr. Drew, quoting from certified copies of requisition, correspondence, contract, purchase order, etc. The witness was examined thereon and he supplied additional information as requested.

The witness filed with the Clerk a certified copy of the above documents.

Mr. Drury was called and tabled the following documents in answer to questions asked on December 4th and 6th, namely:

Appendix B—List of senior appointments at National Defence Headquarters. (*Supplementary to Chart No. 2 distributed at meeting of December 4.*)

Appendix C—Personnel of the Defence Research Board.

Appendix D—Monthly rates of pay and allowances for all ranks for the Armed Services. (November 30, 1951).

Appendix E—North Atlantic Treaty Organization, Mutual Aid Program, (1950-51 and 1951-52).

Appendix F—Statement of estimates, allotments and expenditures for the Armed Services (1950-1951 fiscal year).

Appendix G—Cumulative statement of expenditures (forecast and actual) for the Armed Services. (1950-51 fiscal year).

Appendix H—Analysis of requests for contracts by Procurement Agency for the Armed Services. (1951-52 fiscal year).

Appendix I—Summary of expenditures for the Armed Services (1950-1951) and (1951-1952)—April 1—October 31, 1951, also for Defence Research Board and departmental administration.

Appendix J—Statement covering:

1. The cost of training, equipping and maintaining the 25th Brigade now in Korea,
2. The cost of R.C.A.F. participation in the Korea airlift,
3. The cost of naval operations in Korean waters.

Appendix K—Return showing the cost of training, equipping and maintaining the 27th Canadian Infantry Brigade.

Thereupon, Mr. Wright tabled a series of eight questions relating to defence contracts. (*See Evidence for details*).

Mr. Drury commented on the documents he tabled and was questioned.

In the course of his examination, he explained that the Standing Group of NATO was a military committee and he gave its composition.

In answer to questions, the witness read into the record figures concerning the special account of NATO Mutual Aid Program on ammunition and the transfer of armament equipment.

Mr. Drew expressed his surprise that answers to the various types of weapons for land, sea and air were not available at this meeting. The Chairman answered that these, along with other replies, would be given as soon as compiled and cleared by the departments concerned.

A discussion on the possibility of holding a meeting before Thursday next took place.

Mr. Drew moved that "when the Committee rises this day, it stand adjourned until Tuesday, December 11 at 11 o'clock a.m."

The question being put, it was resolved in the negative.

At 1.10 o'clock p.m., Mr. Drury's examination still continuing, on motion of Mr. Stick the Committee adjourned until Thursday, December 13, at 11 o'clock a.m.

ANTONIO PLOUFFE,
Clerk of the Committee.

EVIDENCE

MONDAY, December 10, 1951.

The CHAIRMAN: Gentlemen, I see a quorum.

There are a few matters which I think we should dispose of. A question was asked by Mr. Bryce about the composition of the Treasury Board. He has made a return and I am putting it on the file. I do not think it is of great importance at the moment.

Mr. GEORGE: Mr. Chairman, will that appear in the record?

The CHAIRMAN: Yes.

(Appendix A: Personnel of Treasury Board).

Then you have all received a copy of Mr. Bryce's statement. I think we should also have that on the record to make sure that it will be there with the statement he made. That, I think, disposes of Mr. Bryce.

(See Appendix I—Evidence of December 6—No. 2: Duties of Treasury Board in relation to defence expenditures).

The members also received a correction of Mr. Mackenzie's statement deleting the first six lines of page 12 of his mimeographed brief and replacing them by a correction that he wishes to make. That will be done.

Now, at the last meeting, Mr. Drew asked for a certified copy of documents relating to the purchase of two de Havilland Comet aircraft. I will call Mr. Mackenzie.

Mr. M. W. Mackenzie, Deputy Minister, Department of Defence Production, recalled:

Mr. WRIGHT: Before you call Mr. Mackenzie, Mr. Chairman, I asked for information about the members of the Defence Research Board. Is that information available?

The CHAIRMAN: Yes, Mr. Wright, as soon as Mr. Drew completes his questioning. We will then refer to questions by other members. (See Appendix C).

The WITNESS: Mr. Chairman, the purchase of two de Havilland Comets starts with a requisition received from the Department of National Defence by the Minister of Trade and Commerce. This was Requisition number 93, dated February 26, 1951, which covered a number of types of aircraft, but the item concerned was item number 9. I have here a copy from which I will read:

"Requisition

To: The Minister of Trade and Commerce
c/o Canadian Commercial Corporation.

There is a RCAF requirement for following:—

Item No.	Primary No.	Nature of Material or Work
9	62	Procurement of 4 Four-Engine Long Range Transport Aircraft

Funds have been requested in the 1951-52 preliminary estimates for the above items. Would you therefore arrange provision of the

above in accordance with detailed contract demands to be forwarded to the Canadian Commercial Corporation over the signature of the Deputy Minister or other authorized officers of the Department of National Defence."

That was recommended by D. M. Smith, and signed by C. M. Drury and by the Minister of National Defence.

Hon. Mr. DREW: Is that the full report on that subject?

The CHAIRMAN: It is coming.

The WITNESS: That was the first step. On September 19, 1951, the Rt. Hon. C. D. Howe, Minister of Defence Production, accompanied by departmental officials including Mr. A. C. MacDonald, deputy coordinator, production branch, visited the de Havilland plant in London, England, and inspected and flew in the Comet 1A jet aircraft. Following this visit Mr. Howe instructed Mr. MacDonald to determine whether any of these planes were available from production. Mr. MacDonald was advised by Mr. Thom, of de Havilland, that none were available from production but that a French airline company had an option on two aircraft, although there was some doubt as to whether they would exercise this option. Under those circumstances Mr. Thom suggested that a non-exclusive option at no cost to the Canadian government could be granted for these aircraft if Canada so desired. Mr. Howe, believing that the Department of National Defence might be interested in these aircraft, arranged for a non-exclusive option at no cost to the Canadian government until October 7th. The offer and acceptance of the option were confirmed in an exchange of letters between the Rt. Hon. C. D. Howe and Mr. C. S. Thom, business director, of the de Havilland Aircraft Company Limited. I have these two letters here, if you would like to have them read.

The CHAIRMAN: Would you, please?

The WITNESS: This is one letter:

September 20, 1951.

The Rt. Hon. Mr. C. D. Howe, P.C.,
c/o Miss Rooney,
Office of the High Commissioner for Canada,
Canada House, Trafalgar Square, London S.W.1.
Sir:

Confirming our telephone conversation last night with Mr. A. MacDonald, we have the honour to offer to the Canadian government a first option, covering the whole of the world less France on two Series 1A Comets, Numbers 17 and 18, which are scheduled for the delivery in December 1952 and January 1953. The price of the aircraft is £450,000, each ex-works, fully equipped to B.O.A.C. specification, but less radio, which would be installed to the Canadian government's requirements.

We agreed that this option would come into force today, and will extend until October 7, 1951.

An option on these two aircraft is already held in France, but this option specifically excludes the North American continent, where we have retained our right to sell the two aircraft in question.

We trust that this arrangement is satisfactory to the Canadian government, and that we may look forward to their esteemed order.

We have the honour to be, sir,

Your obedient servants,
for The de Havilland Aircraft Company Limited.

(Sgd.) C. S. THOM,
Business Director.

Mr. Howe replied to that from London, England, on September 20, 1951:

I wish to thank you for your letter of September 20. The matter of the possible purchase of two Series IA Comets, Numbers 17 and 18, will be given early consideration by my Government.

Subsequently this option was extended to October 14 by an exchange of wires between Mr. A. C. MacDonald and Mr. Thom. On the 5th of October Mr. A. C. MacDonald, Division of Defence Production wired to Mr. Thom.

Your letter to Right Honourable C. D. Howe granting option on two Comets until October seventh with reservation respecting France. Air force officers here actively progressing recommendation which at this stage appears favourable and would greatly appreciate your extending option closing until October tenth, nineteen fifty-one. Please cable undersigned.

That was replied to by Mr. Thom on the 6th of October in which he cabled Mr. MacDonald:

Your cable received very pleased extend option further week compliments.

As Mr. Howe planned to remain in the United Kingdom until the end of September he directed Mr. MacDonald who was returning to Canada to advise the Department of National Defence regarding the existence of this option. On September 25, Mr. A. C. MacDonald advised Air Marshal W. A. Curtis, Chief of Air Staff, of the option.

The Department of National Defence decided that the acquisition of the two Comets offered in the option would satisfactorily meet an outstanding requirement for four engine long range transport, to meet the normal attrition of this type of aircraft. I am advised by National Defence, who made this decision, that these are the considerations which led them to this conclusion. Two other considerations dictated the desirability of acquiring the Comets. One of those is the necessity for providing personnel of air transport command with first hand familiarization in both operation and maintenance of modern high speed multi-engined jet transports. The other is the urgent requirement for having an aircraft capable of simulating flight conditions of a modern strategic bomber attack. This is required in order to exercise the air defence system in this country in a realistic and adequate fashion.

Consideration was given to the utilization of the Avro jetliner as an alternative but was rejected on the following grounds:

The jetliner is in the prototype stage only and further development is required. The additional development and production for the small R.C.A.F. requirement would be a very costly matter since these would have to be absorbed over a very few units. Furthermore, an indefinite lengthy period would elapse, probably in excess of two years, before additional aircraft became available.

Any additional effort expended on the jetliner would have a direct effect on the output of the CF-100 production.

The de Havilland Comet is a proven type currently in production and therefore will be a cheaper aeroplane.

The de Havilland Comet offers the R.C.A.F. a much greater flexibility in employment than the Avro jetliner since it has a much longer range and considerably greater payload.

I might say that just before the option expired, in a telephone conversation from Mr. Claxton to Mr. Howe, Mr. Howe was advised that the air force were proposing to buy these Comets and further informal advice went to the de Havilland company.

SPECIAL COMMITTEE

The next document on the record is dated October 9 and is a formal contract demand. I perhaps should say, Mr. Chairman, that in my evidence the other day I referred to a contract demand carrying the signature of the Minister of National Defence. I used the wrong term. The original document the minister signs is a requisition; the contract demand is a subsequent document to the requisition. I just say that for the correction of the record.

This document reads as follows:

Service Ref. No.	Part or Stock No.	D. H. DEHAVILLAND COMET TRANSPORT Detailed Description of Requirements (Complete details will facilitate purchase)	Section No. Misc.	Quantity required	Amount Encumbered
		CD 511673 is raised for the purchase of DeHavilland Comet 4 engine Transport Aircraft (four D.H. Ghost gas turbine engines) and provisioning of Airframe Spares, Spare engines, a/c and engine accessories and publications.....			
	A	DeHavilland Comet 4 engine transport (c/w 4 D.H. Ghost gas turbine engines).....	ea	2	
	B	Spare Engines Ghost Gas turbine.....	ea	8	
	C	Spares to be supplied to the following percentage value Range and quantity to be advised later— (i) Airframe Spares (15% of unit cost)..... (ii) Engine spares (to be advised later)..... (iii) Engine and Aircraft accessories (to be advised later)..... (iv) Electronic Equipment and Spare (to be advised later)..... (v) Other GFP Spares and spare parts (to be advised).....			
	D	Special tools and Ground Handling equipment (to be advised).			
	E	Publications (to be advised).....			
Note	1	Delivery of aircraft to be ea 1 before 31 Mar 52 and ea 1 after 1 April during fiscal year 1952-53.			
	2	Inspection to be arranged by AOC AMC Inspection.			
	3	Delivery of Aircraft arranged by AOC AMC.			
	4	Inspection Receipt Vouchers to be prepared by consignee designated.			
	5	Price shown on CD is an estimate only; any additional funds required are to be referred by means of a DDP-16 to RCAF Liaison Officer, Rooms B251, No. 2 Temp. Bldg.			
	6	All shipments against this CD must be accompanied by priced shipping documents for customs purpose.			
	7	All customs clearances and Sales Tax on equipment affected by this CD will be cleared by consignee.			
	8	Copies of Acceptance of Tender are required by— CTO/DND..... 1 copy AMC..... 5 copies DAF..... 2 copies Consignee..... 3 copies			
		Total Estimated Cost.....	\$ 3,500,000.00		
		Cash.....	\$ 1,750,000.00		
		*F.Y.....	\$ 1,750,000.00		
		Oct. 9, 1951.	*FUTURE YEARS COMMITMENT		

This bears six or seven signatures:

A. E. McKnight; G. J. Lanigan; T. L. Doolittle; V. S. J. Millard; and it is certified that provision has been made in the approved estimates for that commitment and that the appropriate item has been charged therewith—that is signed by O. J. Gillin; it has been certified by the chief treasury officer that



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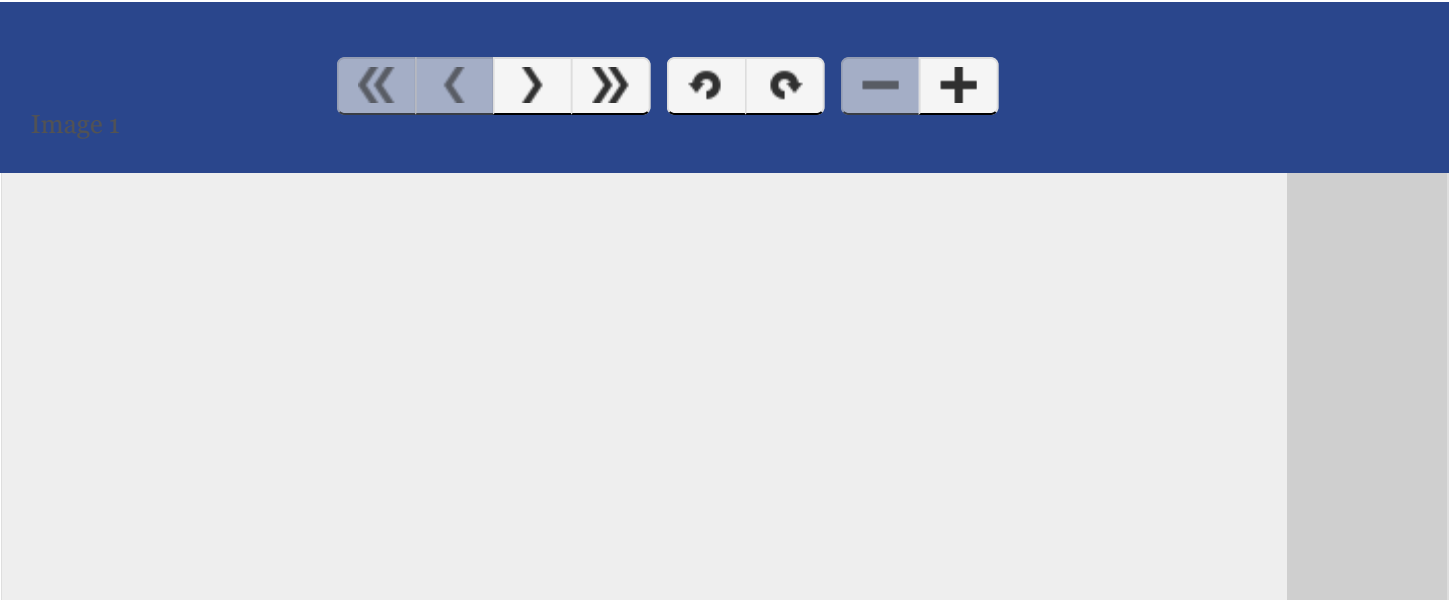
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HOUSE OF COMMONS COMMITTEES, 21ST PARLIAMENT, 5TH SESSION : SPECIAL COMMITTEE ON DEFENCE EXPENDITURE, VOL. 1

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View About



the unencumbered balance is available for the current fiscal year's expenditure—signed C. A. Morrow; and it is signed for the Department of National Defence by A. B. Coulter.

On November 16, the Minister of Defence Production forwarded to council a submission recommending purchase of the two Comet transports.

Mr. DREW: On November 16?

The WITNESS: Yes.

The undersigned has the honour to represent:

That a requisition has been received from the Department of National Defence requesting that the undersigned arrange for the procurement of two (2) De Havilland Comet (Mk. I) Aircraft, complete with 8 Spare Engines therefore, and a quantity of Ancillary Equipment consisting of Spares, Accessories, Special Tools and Ground Handling Equipment, and Publications for the maintenance of the said Comet Aircraft, to meet the requirements of the Royal Canadian Air Force;

That negotiations were entered into with the De Havilland Aircraft of Canada Limited, Toronto, Ont., the Canadian subsidiary of The De Havilland Aircraft Company, Hatfield, England, who is the manufacturer of the Aircraft required, as a result of which it has agreed to supply the said Comet Aircraft at a price of £450,000 each, f.a.f. Hatfield, England, and has agreed to supply the said Spare Engines and Ancillary Equipment on a "price to be negotiated" basis, which price is presently estimated to amount to \$812,672.00;

That the undersigned proposes, subject to the approval of Your Excellency in Council, to enter into a contract with The De Havilland Aircraft of Canada Limited covering the supply of the said 2 Comet (Mk. I) Aircraft, Spare Engines and Ancillary Equipment, on the foregoing basis:

That the said contract is to provide for payment to the contractor as follows:

1. Twenty-five per cent of the total of the above mentioned prices per aircraft and estimated cost of Engines and Ancillary Equipment when the said contract is placed;
2. Twenty-five per cent of the price per aircraft when the said aircraft shall be 60 per cent complete;
3. Thirty per cent of the price per aircraft when the said aircraft shall be 90 per cent complete;
4. The balance of the price per aircraft upon delivery of the said aircraft;

That the total expenditure involved, presently estimated to amount to \$3,512,672.00, is chargeable to Department of National Defence Financial Encumbrance No. 47412;

That the proposed contract is in the public interest.

The undersigned, therefore, has the honour to recommend that authority be granted to enter into a contract with The De Havilland Aircraft of Canada Limited, accordingly.

Respectfully submitted,

C. D. HOWE,
Minister of Defence Production.

Then there is the order in council passed on the 20th of November, 1951, bearing number P.C. 6213. This is certified to be a true copy of a minute of a meeting of the Privy Council, approved by His Excellency the Governor General on the 20th of November, 1951.

The Committee of the Privy Council have had before them a report, dated 16th November, 1951 from the Minister of Defence Production, representing:

That a requisition has been received from the Department of National Defence requesting that the minister arrange for the procurement of two (2) de Havilland Comet (Mk. 1), aircraft, complete with 8 spare engines therefor, and a quantity of ancillary equipment consisting of spares, accessories, special tools and ground handling equipment, and publications for the maintenance of the said Comet aircraft, to meet the requirements of the Royal Canadian Air Force;

That negotiations were entered into with The De Havilland Aircraft of Canada Limited, Toronto, Ont., the Canadian subsidiary of The De Havilland Aircraft Company, Hatfield, England, who is the manufacturer of the aircraft required, as a result of which it has agreed to supply the said Comet aircraft at a price of £450,000 each, f.a.f. Hatfield, England, and has agreed to supply the said spare engines and ancillary equipment on a "price to be negotiated" basis, which price is presently estimated to amount to \$812,672.00;

That it is proposed, subject to the approval of the Governor in Council, to enter into a contract with The De Havilland Aircraft of Canada Limited covering the supply of the said 2 Comet (Mk. 1) aircraft, spare engines and ancillary equipment, on the foregoing basis;

That the said contract is to provide for payment to the contractor as follows:

1. 25% of the total of the abovementioned prices per aircraft and estimated cost of engines and ancillary equipment when the said contract is placed;
2. 25% of the price per aircraft when the said aircraft shall be 60% complete;
3. 30% of the price per aircraft when the said aircraft shall be 90% complete;
4. the balance of the price per aircraft upon delivery of the said aircraft;

That the total expenditure involved, presently estimated to amount to \$3,312,672.00, is chargeable to Department of National Defence Financial Encumbrance No. 47412;

That the proposed contract is in the public interest.

The Committee, therefore, on the recommendation of the Minister of Defence Production, advise that authority be granted to enter into a contract with The De Havilland Aircraft of Canada Limited, accordingly.

On November 28, the Department of Defence Production sent a purchase order to the de Havilland Aircraft of Canada Limited for two de Havilland Comet 4-engine aircraft, and eight ghost gas turbine engines, and appropriate spares. This purchase order was confirmed by C. H. Dickens on behalf of de Havilland Aircraft of Canada Limited on December 4, 1951.

On November 27, the Department of National Defence announced the purchase of two Comet Transport aircraft.

The actual purchase order is here, Mr. Chairman. It repeats all these technical details. Would you like to have it put on the record?

Mr. DREW: I would not think there is any necessity of having it put on the record, Mr. Chairman.

The CHAIRMAN: I think we ought to have it on the record, but you need not read it all if it is repetitious.

The WITNESS: It sets out all the particulars of the payment.

The CHAIRMAN: It has been covered by the order in council?

The WITNESS: Yes, but it is probably in a little more detail.

DEFENCE EXPENDITURE

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The CHAIRMAN: If it is something that this committee ought to have, this is the opportunity to deal with it. So you had better read it.

The WITNESS:

DEPARTMENT OF DEFENCE PRODUCTION

Ottawa, November 28, 1951.

The De Havilland Aircraft of Canada,
Station "L",
Toronto, Ontario.

Attention: Mr. C. H. Dickens.

All invoices, shipping bills, waybills, packing slips and packages must show all the following purchase order numbers.

B.18-38-217/AIR/C.D. 511673/FE 47412 P.C. 6213
2-B-1-714-CDEF-101

Serial

PURCHASE ORDER

Please sell and/or supply to His Majesty the King in right of Canada, upon the terms and conditions set out herein and on the reverse side hereof, the supplies and/or services listed below and on any attached sheets or schedules at the price or prices set out therefor.

Delivery is to be made—see below.

Consign shipment to—to be arranged.

F.O.B.—see below.

Sales Tax—see below.

Cash Discount Terms—net.

Quantity	Item, Part or Ref. No.	Description of Supplies	Price
2 only		De Havilland "Comet" four engine Transport Aircraft (4DH Ghost Gas Turbine Engines) equipped to standard specification, less radio.....	Canadian dollar equivalent to £450,000-0-0 each
8 "		Ghost Gas Turbine Engines.....	To be arranged
		Following spares are to be provided with details to be supplied later:	" "
		1. Airframe Spares 15% of unit cost.....	
		2. Engine Spares.....	
		3. Engines and Aircraft Spares.....	
		4. Electronic Equipment and Spares.....	
		5. Special tools and ground handling equipment.....	
		6. Publications.....	

Invoices less Progress Payments made.

INVOICES: To be made out to and paid by Dept. of National Defence. Send original and two (2) copies to Consignee; one (1) copy to Chief Treasury Officer, Dept. of National Defence, "A" Building, Ottawa, Ontario; and one (1) copy to Department of Defence Production, Ottawa, Ontario.

Vote: 600-62-73-575 HQ. FILE: MISC 511673

Est. Cost
\$3,512,672.00

DELIVERY

One Aircraft is to be delivered by December 1, 1952, second aircraft by January 1, 1953. Delivery of spares to be arranged.

PAYMENT

On receipt of this order there will become due and payable to you the Canadian dollar equivalent of £254,930 sterling representing 25% of the price of the aircraft and 25% of the estimated price in the United Kingdom in pounds sterling of the eight spare engines. In addition, there will become due and payable to you an amount of \$100,000 representing 25% of the estimated cost of the spare parts.

On receipt of documentary evidence of 60% completion of each aircraft, a further payment in the Canadian dollar equivalent of £112,500 sterling per aircraft shall become due and payable and on receipt of documentary evidence of 90% completion of each aircraft a further payment in the Canadian dollar equivalent of £135,000 sterling per aircraft shall become due and payable.

A certificate signed by the RCAF Inspector or the representative of the RCAF's duly authorized inspection agency will be accepted as evidence of percentage of completion.

The balance of the price of each aircraft will be paid on acceptance of the aircraft. The balance of the price of spare engines and spare parts will be paid on delivery to, and acceptance by RCAF.

Inspection to be to the satisfaction of the Air Officer Commanding, Air Material Command, R.C.A.F., Ottawa, or his authorized representative, by whom arrangements for inspection at source or destination will be concluded, and to whom all matters pertaining to the inspection or acceptance of goods should be referred, and to whom the contractor will apply for any technical information regarding the goods or work supplied under this contract, unless otherwise specifically directed.

All shipments against this order must be accompanied by priced shipping documents for customs purposes.

The above mentioned price shall include delivery of the Aircraft F.A.F. Hatfield, England. Spare engines and spare parts will be delivered by you F.O.B. Cars, Toronto, Ontario.

Sales Tax on aircraft will be paid by RCAF as RCAF will take title to Aircraft in the United Kingdom. Sales Tax on spare engines and spare parts to be paid by you and included in final prices agreed upon.

Supply and installation of radio, if required, to be negotiated when RCAF requirements are known.

General Condition (Secrecy and Protection of work) contained in Form CCC-314A shall be applicable to and shall form part of this Purchase Order.

Accepted by the de Havilland Aircraft of Canada Ltd.

C. H. DICKENS, Director.

(Returned under date of Dec. 4/51)

MINISTER OF DEFENCE PRODUCTION

Per W. F. Murphy.

By Mr. Drew:

Q. Does that complete the picture?—A. I think that is the complete story, Mr. Chairman.

Q. Then, having regard to that, I am interested in the sequence of events from this point of view: on December 3, 1947, by P.C. 4436 the Canadian government decided to support the development and construction of an aircraft known as the C-102 jet transport. You are aware of that order in council, Mr. Mackenzie, and under that order in council various sums were advanced for the development of that aircraft. Do you know the total amount that was advanced in connection with the development of that aircraft?—A. The total amount advanced to October 31, 1951, by the Canadian government was \$6,568,363.

Q. Is any more payable under that order in council?—A. There is an item in the estimates of the Department of Defence Production, and if my memory serves me correctly, it is \$1 million. That is in the estimates for this year. For the first seven months of 1951-1952, \$275,000 has been spent against that \$1 million. There may be some other charges, but I can say that they will undoubtedly be small, because the work has been largely suspended in order to get on with the other items in the plant.

Q. You say the work has been suspended?—A. Largely suspended.

Q. What is still being done in that connection?—A. In the first place, one prototype only has been made. The prototype is there but the development of it is not going ahead very fast at the moment. It has been set aside in order to get on with production of the more important item—the fighter aircraft. I cannot say that work has been completely stopped, but the great bulk of the efforts of the A. V. Roe Company has been directed to fighter aircraft.

Q. I am interested only from this point of view: I do not think that anyone who has been following the development of jet transport is in any doubt about the status of the de Havilland Comet. I recall the demonstration of the jet liner here on March 12, 1950, which, I fancy, a number of those who are here today also attended. But I was under the impression that it represented a model that was in production. What we saw under demonstration at that time. We were given an explanation of its speed and its utility. That would indicate, I think, one of the things that naturally concerns this committee, namely the fact that this demonstration was put on by the Department of National Defence in a manner and with explanations which gave the impression that this was the presentation of a proved aircraft. There was undoubtedly a suggestion that it was intended as a transport aircraft which, in addition to any other uses, would be available for military transport service as well.

Now, you do not indicate exactly how much is still being done, but according to what you say, development of this aircraft has been substantially stopped.

I was interested in an item which I saw in a very reliable publication in the United States, the *Newsweek* of December 10, from which I quote at page 69:

... a major U.S. airline has indefinitely put off plans to put the Avro jetliner into service. Avro Canada stopped making it to turn out jet fighters.

Do you know of any arrangement made with a major United States airline to use the Avro Jet liner?—A. No.

Q. That would not come to your attention. The reason I ask you is that the activities of A. V. Roe are very substantially under constant supervision by the

officials of your department through the association of that plant with the department with which you are associated. That is correct, is it not?—A. Yes, indeed.

Q. There were a number of things which gave rise to the belief that this was a practical air liner because on June 7 last year, there was a British United Press dispatch from Sydney, Australia, dated June 7 which said:

... Canada's Avro jetliner will operate regular transport flights across the Australian continent before the end of 1950, air line officials said today.

I merely mention that there was some reason to believe that this jet liner had reached a point at which there was a fair measure of production.

I understand that one of the things which held up commercial delivery was the orenda engine which was to be installed in it. Is that correct?—A. No, sir.

Q. Was it the orenda engine which was in the one which was flown here?—A. No, sir. I am almost certain that the C-102 jet liner was never intended to be powered by the orenda. I know that the prototype which is now flying certainly does not have the orenda engine.

Q. I know that, but at that time, on March 12, 1950, neither did the CF-100. That is correct, is it not?—A. I could not say as to that specific demonstration. The CF-100 has flown with an orenda engine.

Q. But at that time, you will recall, there were English engines, were there not?—A. That is correct. But I understand that the 102 is not designed—I am sure that it is not designed for the orenda engine.

Q. Then it would seem to me to be of direct interest to this committee to know what the decisions of your department were. I am not speaking of policy, but of decisions from the point of view of the considerations which led to that decision, to at least suspend for all practical purposes the development and production of the Avro jetliner because I recall that great emphasis was placed on the fact that we must not be dependent on aircraft produced either outside of Canada or outside of this continent.

I recall as an example a number of reports and I shall refer to one specific report dated April 20, 1949. This report appeared in the *Toronto Daily Star* of that date, and I read:

Had the RCAF selected the British Vampire as the backbone of its first-line fighter strength, Canada would soon have a "complete orphan" in its air force, R.C.A.F. officials declared today. Under the best circumstances necessary for the growth and maintenance of an adequate fighter force, the latest Vampire would be non-standard with both the U.S. air force and the R.A.F.

I recall a number of cases when we were told that the reason that it was not desirable to acquire newer types of Vampires was because of the fact that it would be undesirable to have what were described as orphans. In what way does the general decision with respect to the De Havilland Comet differ from the decision that was made in regard to the other types of aircraft?—A. Mr. Chairman, this is essentially a question for National Defence, but I think I can say this with safety, that there is a very great difference between buying two transport aircraft in order to gain experience with four-engine jet aircraft and a decision to embark on production of a particular type of fighter aircraft to equip a whole fighting force. It seems to me the two situations are quite different.

Q. Perhaps I can ask a question which will throw some light on that. One of the reasons that you gave for the decision to buy this particular aircraft

was that it would make it possible to simulate flight conditions in a bomber attack. Are any jet bombers on order?—A. There are no jet bombers on order by the Canadian air force.

Q. Or by the Department of Defence Production?—A. I should say by the Department of Defence Production. I should say that the explanation of the decision to purchase which I read was the explanation given me by the Department of National Defence, because we in the Department of Defence Production do not decide or assess the reasons why they want or do not want transport aircraft.

Q. I realize that. I was simply asking the question whether any jet bombers of any type are now on order by the Department of Defence Production?—A. No, sir.

Mr. WEAVER: Could I ask the witness the difference in range between the Comet and the Avro jet air liner?

The WITNESS: Mr. Chairman, I can give a certain amount of information. I am not going to pose before the committee as an expert on aircraft, or on the comparability of aircraft. I have a few notes here that were supplied to me by some of our officials. The ultimate range of the Comet is 3,450 statute miles, and that of the Avro jet liner is 2,000 statute miles. The pay load of the Comet at ultimate range is 10,000 pounds. The pay load of the Avro jet liner with a range of 1,250 miles is 10,000 pounds. I must beg off getting into any detailed explanation of ranges because it is all tied up in with pay loads and speeds and altitudes, and all sorts of technical details.

By Mr. Drew:

Q. One of the questions that you may or may not be able to answer, but which would be disclosed by what you have examined, is why it was decided to buy the Comet with the Ghost when I understand that the Mark II Comet will have Rolls Royce Avons of a much greater thrust. Do you know if that consideration came before your department?—A. I do not think it came before our department. Certainly the specifications as written by the air force specified the Ghost engines.

Q. Are you aware of the fact that the Mark II is being equipped with the Avon?—A. I am afraid I am not familiar with that.

Q. I merely mention that because I understand the Mark II is being equipped with them, and that it is a much more powerful engine.

Mr. McILRAITH: It seems to me we are now getting into a situation which involves the giving of evidence, and I think that if we are going to have some evidence we should have it all.

Mr. DREW: I think we would be glad to have it all.

Mr. McILRAITH: The point, Mr. Chairman is this: we are being told that this plane is now being equipped with this new engine. Now, it seems to me we should be told the next step, when, because in it there is a question of delivery. Dates become important in all these discussions on production, and if there is any further knowledge on that point by the Leader of the Opposition if he would let us have it, it would be helpful.

Mr. DREW: I cannot, of course, give the delivery dates, but Janes Aircraft which came out last week gives the details of the Comet II with the Avon engines and describes it "in production".

Mr. McILRAITH: It does not say when those will be ready for delivery.

Mr. DREW: That is what the Department of Defence Production can give us.

Mr. McILRAITH: I object to having evidence of that sort put on the record unless it is put on completely. You can see the danger we are getting into. I do not think it is too germane at the moment, but if there is information as to the date that it can be delivered we should have it.

Mr. DREW: That may be one reason why they did not do it. I do not think the Department of Defence Production is responsible for ascertaining facts of that kind. The request was simply for four long-range transports without even asking for jets, and the proceedings from that point on were proceedings that resulted from the indication by the Department of Defence Production that this was a desirable aircraft, so I was merely asking a question in relation to a new type which has been off the secret list a long time and on which I thought the Department of Defence Production could tell us what the delivery date would be.

The CHAIRMAN: I understand Mr. Drew asked a question. I do not understand that he is to give information. Information is to come from the witness.

Mr. DREW: Quite right.

Mr. McILRAITH: That was my point.

The CHAIRMAN: A good point, and we will be a little more careful in asking further questions.

Mr. DREW: Certainly there cannot be much uncertainty or secrecy about those that are shown in Janes Aircraft as being machines now in production.

The CHAIRMAN: Quite right.

By Mr. Drew:

Q. I recognize that the witness is not in a position to do more than simply describe the actual steps that have been taken. Questions of policy are beyond the realm of both his authority and what he should be permitted to answer, so I will not ask them. I am merely asking if in making the decision from the point of view of money and the consideration of money, if in the discussions of which he is aware there was a discussion as to the number of millions of dollars that had been invested in the jet liner known as the C-102, and if information was obtained as to when that might be in production and when that might be delivered with such new types of jet engines as might be available, and with the installation of English engines if the Canadian government was going to turn to English equipment, because that would have to be a further consideration that involved the expenditure of money for advance performance. Are you aware of any discussion along that line as to the comparative dates on which delivery might be expected of the C-102 as compared with the de Havilland Comet?—A. I cannot give any precise date, Mr. Chairman. It was clear that, to carry through and build two Avro jet liners, they would have to be built as a custom job. There were no other firm orders on the books; therefore, you would have to go about setting up production, setting up tooling, and really building two custom-built aircraft, which is a different thing from buying aircraft coming off a production line. Whatever the time would be, it would certainly have been longer to make delivery of two of those aircraft to the air force than the delay required in getting two Comets, which type had proceeded to a much more advanced stage in development, which was in production and being sold commercially around the world. You asked the question with what engines the subsequent Marks of the Comet are going to be powered. All I know is that every jet engine manufacturer in the world is working on some new development and some new Marks and improvement of their engines. As and when those

engines come into production is a matter than only time will tell. But what was available were two aircraft with proven engines that would serve the purpose for which the air force raised the demand.

Mr. CAMPNEY: Did you not say that another major consideration was the desirability of the Avro concentration on CF-100—

The CHAIRMAN: Members cannot hear a word you say, Mr. Campney. Would you speak a little louder? Ask the question again so that all members in the room can hear.

Mr. CAMPNEY: I asked Mr. Mackenzie whether in fact the desirability of the Avro Company concentrating on CF-100's long-range bombers was not another factor in that procedure. I understood you to say so earlier.

The WITNESS: That factor is the reason that the Avro Company was directed and encouraged to concentrate all their efforts on the development of the fighter and the reason that the development of the jet liner was slowed down. Therefore it is a contributing factor to the possible availability of delivery.

Mr. DREW: There was one point I want to clear up on the record. Mr. Campney asked about the concentration on C-100 bombers.

The CHAIRMAN: He meant fighters.

Mr. CAMPNEY: Of course I meant fighters.

Mr. DREW: That is better.

By Mr. Adamson:

Q. The witness said that the jet liner production was slowed down. I understood it was stopped altogether. Which is correct?—A. To all intents and purposes it was stopped. There may be some small items of expense going on, but to all intents and purposes it has been stopped, and this is evidenced by the fact that in the seven months of 1951-52 the total amount that the Canadian government has contributed to its development is \$275,000.

Q. Have you any estimate of what that aircraft has cost up to now?—A. I gave the figure earlier.

Q. I am sorry.

By Mr. Drew:

Q. That is the Canadian government's contribution. Do you know whether the company would have expended an amount above that?—A. Yes, it has.

Q. Do you know what that amount would be?—A. Yes, during the same period the company has expended \$2,317,772, a total of \$8,886,135.

Q. Which is directly chargeable to this particular aircraft, to its development?—A. That is the total cost of the development of the aircraft.

By Mr. Macdonnell:

Q. Mr. Mackenzie has referred to setting aside the work which was going forward on this type and he has explained very clearly the reasons which impelled the department to order the two de Havillands, because, as he said, the Canadian product would have had to be custom built, there being no other demand for them. Were those considerations in people's minds when the decision to spend that large amount of money took place, or have there been new conditions set up which have necessitated the virtual abandonment, as I understand it, for an indefinite time, of the work on which so much had been invested?—A. Well, I think the evidence here perhaps will help to clear up Mr. Macdonnell's point. The Canadian government's contribution to the development of the C-102 in the year 1950-51—

The CHAIRMAN: May I suggest that you break those figures down, and by doing that you will help the committee. Members of the committee will not see them for a little while. Could you have these figures broken down by years?

The WITNESS: I should just put in this qualification, that the figures for the first three years are in round figures. They are more accurate in the last two years. I will read, first of all, the figures of the Canadian government's contribution to this project.

In 1947-48, \$1,500,000; 1948-49, \$2,000,000; 1949-50, \$1,500,000; 1950-51, \$1,293,363.

Then 7 months to date in 1951-52, \$275,000; total, \$6,568,363.

The A. V. Roe Company contribution during the same years:

1947-48, \$580,000; 1948-49, \$705,000; 1949-50, \$585,000; 1950-51, \$293,169.

Then 7 months to date in 1951-52, \$154,603; total, \$2,317,772.

So that the falling off in expenditures starts in 1950-51 and is fairly well down in the first 7 months 1951-52, whereas the purchase of the Comet developed only really in the last few months; starting, as I explained, from Mr. Howe having a ride in a Comet in September of this year. He seemed to be impressed that this airplane might serve the purpose very satisfactorily.

Mr. MACDONNELL: If I understand you correctly the drop-off in expenditure began at the beginning of the current fiscal year. There had been already indicated a very marked decrease. And now, has that any significance? Does that indicate that there was already a change in mind, or am I attributing some significance that is not there? Do I make my point?

The WITNESS: I think I see what you are getting at, Mr. Macdonnell. The falling-off here is an indication of the added pressure that had been put on to the development of the CF-100 fighter, and it was done at the expense of development on the C-102 jet airliner.

Mr. WRIGHT: Can we have those figures again, Mr. Chairman?

The CHAIRMAN: Sorry, we can't hear you, Mr. Wright.

Mr. WRIGHT: Could we have similar figures for the fighter planes as you have just given us for the transport?

The WITNESS: I haven't the figures here, and that is another matter altogether.

Mr. MACDONNELL: Mr. Chairman, might I ask one further question. When you described the setting aside of the work, as being largely suspended, is that because of want of factory space or want of labour or why is it that this could not have gone on longer?

The WITNESS: There are a number of considerations there. I should think one of the most important is the shortage of senior engineering ability and general managerial skill; that the top directorate of the Avro were asked to put their best foot forward on the fighter, and if necessary for that purpose really to suspend their activity on the jet airliner.

By Mr. Drew:

Q. I would suggest, Mr. Mackenzie, following that explanation, that factory space would hardly be a factor because I think you will agree with me that very substantial additional factory space has been built there in their forward development of the CF-100. Is that not correct; I mean, within the last few months?—A. There has been to my knowledge no new space at the A. V. Roe Company plant provided for making airframes.

Q. That is quite so, but is it not true that in order to get into production that a plant has been built or is being built at the present time at Malton for that purpose?—A. There is a new engine plant being built at Malton.

Q. Exactly.—A. That is for engine design and production, not for airframes.

Q. Of course any type of development goes into the same type of walls, and I would imagine that if you decided to proceed with this program of production you would have been able to arrange for the provision of a larger plant at Malton for that purpose similar to the new plant for engine production.—A. No, sir. The engine plant is an entirely separate operation.

Q. I realize that.—A. And there would not be room, I am quite sure, in the A. V. Roe airframe operation to build both at the same time.

Q. I would not suggest that it be put either in the present airframe operation or in the new engine building. I am merely suggesting that if there had been reason to go ahead on the new jet liner that at the same time as orders were placed for the new engine building at Malton the proprietors or the government could also have placed orders for new space for this further airframe production.—A. I suppose it could have been done if circumstances had warranted it.

Q. Yes. Then I want to go back for a moment to one further question referring to development. I understand that it was intended to acquire an aircraft that would be able to simulate the flight conditions of a bomber attack. That implies, of course, the training of bomber crew. I then come to this question. Is it at present planned to order jet bombers? I am only asking you, what is under consideration; or, whether a decision has been made?—A. Mr. Chairman, that would not be for me to answer. This department, the Department of Defence Production, can only deal with the orders which it has received.

Q. Well then, have any decisions been communicated to you about the placing of orders for jet bombers?—A. No, sir.

Mr. FULTON: It seems to me that the discussion here of the situation as regards discontinuing the development work on jet airliners possibly indicates a situation which is closely parallel to what, as far as I have been able to gather, exists in the United States where there is a difference of opinion between the over-all defence production direction there and the defence personnel themselves as to whether there is a sufficient cut-back in civilian production in United States so as to allow for the defence production which the Defence Departments want. I would like to ask Mr. Mackenzie what the position is here and whether in fact the decision to discontinue the development work on the jet airliner and to concentrate on the CF-100, is indicative of at least a tendency towards a cut-back of civilian production and effort, and a further concentration on defence.

The CHAIRMAN: Mr. Fulton, I think that is possibly a question of policy. Do you really think that Mr. Mackenzie is the person who should answer that? He is here for the purpose of giving information to this committee on matters on which the committee has jurisdiction. Don't you think you are getting a little far afield?

Mr. FULTON: Well, I assume, Mr. Chairman, Mr. Mackenzie, being the deputy minister of the department charged with matters relating to defence production, would be aware of the decisions that have been taken, if they had been taken, as to the issue either of instructions or orders, whatever they may have been, to cut back civilian production and to concentrate on defence program.

The CHAIRMAN: If such a decision had been made we would have been informed of it in the House of Commons.

Mr. FULTON: But, Mr. Chairman, they are not always announced in that form.

The CHAIRMAN: If a decision of that kind had been taken it would have been a decision at the highest level; it would have been a policy decision and would have been communicated to us in the ordinary way.

Mr. FULTON: No, I do not think so, that does not follow at all.

The CHAIRMAN: It should follow, and it usually does.

Mr. McILRAITH: Mr. Chairman, if I may: isn't that a question of policy? Surely, the deputy minister is not the one to give evidence on policy decisions, as to what decisions have been taken or may be taken. It seems to me that is absolutely beyond the evidence which a deputy minister should be expected to give.

The CHAIRMAN: Let us for the moment deal with the matter we have before us without waiting any decision on Mr. Fulton's questions.

Mr. FULTON: What was the matter before us?

The CHAIRMAN: The matter before us was the request made by Mr. Drew relating to the purchase of two de Havilland Comet aircraft. I think, in fairness to other members of the committee who are not as well briefed on this matter as some who have taken a more keen interest in it, they ought to be given an opportunity to read the record before we go any further on this matter. We can come back to it again at a future time. Are there some immediate questions members have on this particular subject?

By Mr. Adamson:

Q. There is one question along this line—about the development of the jet airliner. It was certainly my impression and certainly I think the impression of the Canadian people that the jet airliner was a tremendous step forward, that there was a large future for it and a large potential number of orders. And now, is this committee to understand that there will be only two orders placed?—A. Mr. Chairman, there are no orders that I know of for jet airliners. As I understand it, the question we have been dealing with is whether or not the service requirement for two jet type transport planes—whether that order should have gone into an Avro airliner rather than the Comet. I don't know whether I should go back over that field again—

Mr. ADAMSON: No.

The WITNESS: But there are no orders of which I know for the Avro jet airliner. It is still only a prototype airplane. It is not in production.

Mr. ADAMSON: I appreciate that, but I was under the impression that there were potential orders for large numbers of this type of aircraft.

The CHAIRMAN: Then, Mr. Adamson, just before putting these questions and asking for answers. Do you think it is wise that we should lay the industry open to embarrassment through questions that might be asked here? Is it not possible that something said here might in some way unfairly reflect on that industry unnecessarily? I leave it for you to decide.

Mr. ADAMSON: I trust that nothing said before this committee will in any way prejudice their interests, that is the last thing I would want to do.

The CHAIRMAN: Mr. Adamson, as you know, a great many people read the record of our proceedings here. My only thought was that some of the answers given might do harm to the industry. However, it is a matter which I leave to you.

Mr. ADAMSON: Well, Mr. Chairman, I don't think for a moment that it will hurt the industry.

The CHAIRMAN: All right, go ahead.

The WITNESS: My understanding of the question is that there has been consideration given to the possibility of further development and utilization

of the Avro jet airliner. As far as I know the consideration has not got to the stage of actual ordering, and no doubt further development would be necessary before orders could be placed. The slow-down of development has been dictated on the one side by the urgency of getting on with the CF-100. The whole thing has not been scrapped or abandoned as such, it has been set aside so that priority could be given to the undertaking of further development of the fighter aircraft.

Mr. ADAMSON: That is just exactly the answer I wanted; the jet airliner has not been sufficiently developed to be in the production stage, and that the facilities existing at the A. V. Roe Company were not sufficient to carry on the dual program of the jet airliner and the jet fighter. Is that correct?

The WITNESS: That is correct.

By Mr. Macdonnell:

Q. My question is this. If this work has been largely suspended and set aside—the words are different from those Mr. Mackenzie used but their significance is the same—what benefit, if any, will we have got for the expenditure of eight million dollars of public money; and, in asking that question I point out that this has been going on for 5 years; so there has been plenty of time in which to foresee developments. My immediate question is: What benefit will we have got if production is not resumed?—A. We undoubtedly have a very substantial benefit in the existence of the A. V. Roe Company which has been working on the development of and on developing jet engines, and airplanes to be powered by jet engines. However, whether or not this jet airliner ever gets into production, it has meant the building up of an industry which is now getting on with the production of jet fighters and presumably can return to production at some later date if conditions permit the production of civilian jet aircraft.

Q. Then the requirements for both must have been in the minds of those concerned for years. Why do we—I don't know why we should run into this difficulty now.

Mr. GEORGE: Mr. Chairman, apropos of that question, nobody has brought up the thought that things have been changed by the international situation. I would like to ask a question along these lines. If the war had not come on and if there had not been a sudden demand for fighters, would we not have continued to develop these jet liners?

The WITNESS: I would presume so.

Mr. GEORGE: Is that not the answer?

Mr. STICK: May I interject something?

The CHAIRMAN: Yes, Mr. Stick.

Mr. STICK: Mr. Macdonnell said there was \$8 million of public money.

The WITNESS: \$6 million.

Mr. STICK: Mr. Macdonnell said \$8 million, and I wanted to keep the record straight.

Mr. MACDONNELL: I think Mr. Mackenzie can correct it.

The WITNESS: It is \$6,500,000 of public money up to the end of October 1951, and \$2,300,000—

Mr. MACDONNELL: With the obligation of how much? An additional \$750,000?

The WITNESS: In the estimates of this year an amount of \$1 million has been provided, but that is not an actual commitment.

Mr. STICK: I only raised the question to keep the record straight.

Mr. DREW: Unless this is stopped completely it is to be assumed that the \$750,000 will be used, so it carries the figure to over \$7 million of public money. Is that not right?

Mr. McILRAITH: Before the question is answered, the evidence is that there was an estimate put in for this year. Surely that does not warrant the assumption now, when the evidence has been that the program has been largely set aside, that it is going to be all expended.

The CHAIRMAN: I think we are limited to expenditures or commitments, strictly.

Mr. DREW: The commitment is there up to whatever amount has been allowed—it is going to be used—and Mr. Mackenzie can perhaps answer this, unless it has been practically stopped there are obviously expenditures that are going to call upon the remainder of this estimate?

The WITNESS: Mr. Drew, the \$1 million estimate is an authorization and I pointed out that in the seven months of the year a total of \$275,000 has been spent. I would think it extremely unlikely that the balance would be spent in the remaining five months of the year.

The CHAIRMAN: Gentlemen, we are now reverting back to our original task—

By Mr. Drew:

Q. I just want to raise one question and I assure you this will terminate it. You spoke of the value that had been obtained from this expenditure, Mr. Mackenzie, even though work has stopped on the C-102. In doing so, you emphasized the experience and advancement that took place in engine development in this country—development of the jet engine.—A. I mentioned jet engines and airframes to be propelled—

Q. I am pointing out to you that you said a short time ago your understanding was this aircraft was not going to use the engines going to be produced there?—A. If I remember correctly I said the development of jet engines and airframes to be propelled by jet engines—

Q. Then this money had nothing to do with the development of the particular jet engine, if it was not going to be used for that particular aircraft?—A. It was to develop airframes designed to be propelled by jet engines.

Q. Well, Mr. Mackenzie, Mr. Macdonald's question related to the advantage that had been gained by the expenditure of this money. If the airframe has to be obtained, then there must be some other advantages—and you mentioned the advantage of the jet engine?—A. I think I said the department was interested in the development of the over-all problem. I think the two are not unrelated.

The CHAIRMAN: When did the Avro plant establish in Toronto?

The WITNESS: I do not know—after the termination of the last war. It would have been about 1945, or 1946, but I have not the specific date.

Mr. DREW: If nobody objects I can suggest to you, Mr. Mackenzie, that it was in 1946.

Mr. WEAVER: Mr. Chairman, may I ask—

The CHAIRMAN: May I just follow my question for one minute. Have you any idea of the number of people employed there in 1948, 1949, 1950 and 1951?

The WITNESS: I cannot give you any figures offhand on that.

The CHAIRMAN: Now, Mr. Weaver?

Mr. WEAVER: It seems to me that these two aircraft are built to do entirely different jobs, because on the figures Mr. Mackenzie gave, one has very nearly three times the range of the other. In other words, one could fly the Atlantic and the other could not. Am I not correct in that?

The WITNESS: They are entirely different. They are fundamentally designed for different purposes.

The CHAIRMAN: For the moment that brings to a conclusion questions with respect to the two de Havilland aircraft, until such times as you have had an opportunity of reading the record—which will not be soon—perhaps not this session—nevertheless you have the information. Now, we revert back to our previous proceedings and start again with Mr. Drury.

Mr. FULTON: Mr. Chairman, are we not to question Mr. Mackenzie further at this stage on general subjects?

The CHAIRMAN: Not at this stage.

Mr. FULTON: Will he be back?

The CHAIRMAN: Yes.

Mr. WRIGHT: At this session? I have a series of questions that would come within Mr. Mackenzie's jurisdiction. I think they could be put on the record now and be answered later.

The CHAIRMAN: It would not be possible for him to answer questions at the moment.

Mr. WRIGHT: No.

The CHAIRMAN: At a little later stage I will suggest to the committee a method of obtaining answers in the interval.

Mr. WRIGHT: I want them put on the record so the information will be available at a later date, at this session.

The CHAIRMAN: I assure you of an opportunity to do that, Mr. Wright.

Mr. FULTON: At this sittings?

The CHAIRMAN: I do not know.

We now have Mr. Drury.

Mr. C. M. Drury, Deputy Minister of National Defence, called:

The CHAIRMAN: It is my purpose, gentlemen, to have questions answered in the order in which they were asked. In this respect we are very fortunate in that we have a copy of each answer for every member of the committee—so they will have it immediately before them. In that way you can proceed and question on the matters now or later.

The first document is in answer to a question asked by the chairman, a list of senior appointments, supplementing Chart 2 tabled on December 4 by Mr. Drury. You have the list before you, with your permission we will table this document.

Mr. CAMPNEY: Would it not be better to have it printed in the proceedings?

The CHAIRMAN: Is it agreed that all these be printed?

Agreed. (See Appendix B).

The second document is in answer to a question asked by Mr. Wright about the defence research board. Shall that be printed in the report?

Agreed.

(See Appendix C).

Next is a table of monthly pay and allowances, asked for by Messrs. Stick and Churchill. We will revert to these documents in a few minutes.

(See Appendix D).

Next is a statement on NATO mutual aid program, asked for by Messrs. Wright, Churchill and Macdonnell.

(See Appendix E).

Next is a statement of estimates, allotments and expenditures, asked for by Mr. Macdonnell.

(See Appendix F).

Next is a cumulative statement of expenditures, forecast and actual, asked for by Mr. Macdonnell.

(See Appendix G).

Next is an analysis of requests for contracts by procurement agency, 1951-52, asked for by Mr. Macdonnell.

(See Appendix H).

Next is a summary of expenditures, 1950-51, etc., asked for by Mr. Macdonnell.

(See Appendix I).

"And then we have a statement covering (1) the cost of training, equipment and maintaining the 25th Canadian Brigade now in Korea; (2) the cost to the RCAF of its participation in the Korea airlift; and (3) the cost to the Navy of its participation in Korea naval operations. This return was asked for by Mr. Macdonnell.

(See Appendix J).

Finally, there is a return on the cost of training, equipment and maintaining the 27th Canadian Infantry Brigade, also asked for by Mr. Macdonnell.

(See Appendix K).

The Department have not yet been able to bring down answers to all questions. There are half a dozen which are being prepared. That will be done as soon as possible.

Just at this stage I appreciate that you cannot digest all this information in a minute; it will take you some time.

Might I suggest that if there are any of you who have questions, you let us have them now. This will not be the last time, but it is an opportunity. You have some questions, Mr. Wright?

Mr. WRIGHT: Yes.

The CHAIRMAN: Have you very many?

Mr. WRIGHT: I have 8 questions, Mr. Chairman.

Mr. BALCOM: Mr. Chairman, should we not have time in which to digest this material? I suggest that we have an adjournment.

The CHAIRMAN: I am trying to use our committee time usefully by asking anyone who has questions to state what they are. That should not take much time. Now, Mr. Wright, before Mr. Drury has something to say on these returns, are there any questions? You have said that you have some?

Mr. WRIGHT: Yes.

The CHAIRMAN: Then let us have them.

By Mr. Wright:

Q. They have to do with Canadair. My questions are as follows:

DEFENCE CONTRACTS

1. (a) How many contracts has the government (including all government departments as well as crown companies) awarded to Canadair?
- (b) What product, products and or services was each contract for and what is the amount of each such contract?

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2. (a) What is the total cost to the government of each of the F-86 planes (including air frames, engines, radio, armaments and other special equipment) now being built by Canadair?
(b) What was the total cost to the government of each of the thirty F-86 planes (including air frames, engines, radio, armament and special equipment) built in California?
3. (a) Is any of the sub-contracting for any of the parts or equipment of the F-86 awarded by the government or any crown company rather than by Canadair?
(b) If so, what parts are involved, to whom have such contracts been awarded and what is the amount of each?
4. (a) Does the federal government or any crown company pay for the GE-J-47 engines used in the F-86 planes being built for the government by Canadair?
(b) What is the price of each of the engines used in the F-86?
(c) What is the total amount spent for these engines in the period under review?
(d) From whom are they purchased?
5. (a) Have any advances been made to Canadair for capital expenditures for production and supply of aircraft during the fiscal year under review?
(b) If so, how much?
(c) How much has been cleared on advances made during the previous year?
(d) What was the nature of capital expenditures for which this money was spent?
6. (a) Does Canadair Limited have an agreement with the government for the use of Cartierville Airport?
(b) What are the terms of this agreement?
(c) How much does Canadair pay for the use of this airport?
(d) Is the airport used by any other company or by any government department?
7. (a) Is Canadair producing F-86 planes or parts thereof for any other country or countries?
(b) If so, what countries?
8. (a) Does the government or any crown agency own any shares in either the Electric Boat Corporation, or in Canadair Limited?

These are the questions I am asking, Mr. Chairman.

The CHAIRMAN: You will not feel angry, Mr. Wright, if you do not get quick answers to your questions?

Mr. WRIGHT: I did not expect an answer today.

The CHAIRMAN: I said "quick" answers.

Mr. STICK: Make it an order for return, Mr. Chairman.

The CHAIRMAN: Are there any other questions?

Mr. GAUTHIER: Why not put them in book form?

Mr. ADAMSON: Mr. Chairman, I suggest that the capital set-up of Canadair might well go into the record after those questions, because they are all along the same line.

The CHAIRMAN: Mr. Drury may have some comments to make on these returns which are now before you all.

The WITNESS: I think it might be helpful to say a word or two by way of explanation of some of these documents which may help the members of the committee, if I may use the term, to "digest" them.

First, the list of members of the Defence Research Board and the number of officers at National Defence headquarters I do not think need any explanation.

By Mr. Cavers:

Q. I notice that the chairman of the chiefs of staff is Lieutenant General C. Foulkes. How many members are on the committee of the chiefs of staff?—

A. The chiefs of staff committee is composed of the chairman, the chief of the naval staff, the chief of the general staff, and the chief of the air staff; also, the chairman of the Defence Research Board.

Q. Thank you, very much.—A. And as I pointed out last meeting, there are other people normally in attendance.

Now, will the members please turn to the "table of monthly pay and allowances for the armed forces". You will see that the ranks are shown for each of the 3 services and it will be noted that the basic pay arrangements are the same for each of the equivalent ranks in each of the 3 services. The ranks are set forward to show the parallel names given to the ranks in the army, navy and air force.

By Mr. Stick:

Q. I understand that the rank of lieutenant general and vice admiral come under different categories, do they not?—A. There is no provision in the pay regulations for the pay of a lieutenant general. We only have 2, and they are provided for by a special order in council for each of them.

Q. That is what I mean. And that is why it is not here?—A. That is right.

The next document is the "NATO-Mutual Aid Program". The initials NATO stand for North Atlantic Treaty Organization. This is a summary of the transactions since the beginning of the mutual aid program in the fiscal year 1950-51 which were brought about by a special appropriation of \$300 million. The original \$300 million appropriation was supplemented by a further appropriation this current fiscal year to bring the total appropriation for mutual aid to \$361,383,108 in cash expenditures in the 2 fiscal years in question, and authority to commit against the future year's appropriations of \$29,720,000.

Mr. MACDOUGALL: Well, while we are on that table, Mr. Chairman, might I ask under the heading of "Armament and Ammunition, offered but not allocated" this question: Am I right in inferring that the various items under that table have been offered to NATO but have not been either accepted or allocated?

The WITNESS: That is correct. The standing group has been notified.

The CHAIRMAN: Will you explain "standing group"?

The WITNESS: The standing group is the military body of NATO which coordinates military activities on behalf of the council. It is composed of representatives of the United States, the United Kingdom, and France. The standing group is the central military coordinating agency of NATO. It is the body to whom we advise the availabilities of this equipment with the dates on which they will be ready for release; and the standing group, after considering the military requirements for equipment of the North Atlantic Treaty countries, recommends to the Canadian government the allocation of this equipment to various of the NATO countries.

Mr. GEORGE: Who is the chairman of that NATO board?

The WITNESS: I think it is General Bradley of the United States forces; the chairman of the United States joint chiefs of staff.

Mr. ADAMSON: How many members comprise that group?

The WITNESS: You mean the standing group?

Mr. ADAMSON: Yes.

The WITNESS: Three.

Mr. ADAMSON: Do you know the other two?

The WITNESS: I think they are Air Chief Marshall Slessor for the United Kingdom and General of the Air Force Leclerc for France. Their representation in Washington are Vice Admiral Gerauld Wright of the United States, Air Chief Marshall Sir William Elliot of the United Kingdom, and Lt. Gen. Paul Ely of France.

By Mr. Harkness:

Q. In connection with ammunition for the Netherlands, the figure of \$56,750,000 was the value placed on that equipment by the Department of National Defence. Is that correct?—A. That is correct.

Q. And when that equipment was turned over, that amount of money was to be put into a special fund which would be available to the Department of National Defence with which to buy new equipment?—A. That is correct.

Q. And for all these sums we show a total of \$220 million odd. Has that amount been placed in this special fund?—A. No. The amount shown is under the heading "committed" in the second series of columns as against the appropriated amount. Oh, excuse me, under the heading "expended to date"; the final column shows the total amount transferred into the special account, namely, \$220 million odd.

Q. That has all been put into this special account? Is that correct?

The WITNESS: My attention has been drawn to the question of "Air crew training". The sums for that item do not go into the special account.

By Mr. Harkness:

Q. You mean the \$40,600,000 odd?—A. No. I mean the \$2,628,000, and the \$22 million odd.

Q. \$24 million altogether, \$24,600,000?—A. That is correct.

Q. And that has not gone into the special account?—A. Further a transfer of equipment from new production does not go into the special account.

Q. The total amount in it is \$195,417,000?—A. That is the total amount that has been transferred into the special account.

Q. What expenditures, if any, have been made out of this special account?—A. I have some figures on that.

Q. Perhaps we might have a return on that. I would like the return to be similar to that showing the amount spent out of this special account and what has been referred to with it.—A. I have the figures here, although I have not got 30 odd copies of it.

The CHAIRMAN: Very well. Read them into the record.

The WITNESS: In 1950-51 there was expended out of this special account for replacement equipment \$19,885,625; this was for armament and ammunition.

In the first months of the current fiscal year up to the 31st of October, there was expended a total of \$73,549,381, of which \$18,959,295 was for armament and ammunition to supplement that spent in the previous fiscal year in replacement of equipment transferred to the Netherlands. Accompanying that was a small expenditure of \$8,546 for tools, publications, and tool sets in respect of the same equipment. In replacement of equipment sent to Belgium

in the current fiscal year, and out of this same total we have expended \$11,368,645 for ammunitions, and \$2,919,360 for armament equipment; \$19,116,021 for tanks and armoured fighting vehicles, and \$310,000 for tools and tool kits. And then against the other replacement items shown in the Mutual Aid Program list, we have expended \$2,479,153 for ammunition, and \$18,388,361 for armament.

Mr. DREW: What does that include?

The WITNESS: Guns and rifles, army armament, small arms and guns.

Mr. ADAMSON: Have you the totals there?

The WITNESS: The totals I gave initially; for the last fiscal year, \$19,885,625, and the total to date for this year, \$73,549,381.

Mr. MACDOUGALL: Have you the figures for the unexpired portion of this year—I mean, what is still left unexpended?

The WITNESS: I have not worked out the arithmetic, but what was left unspent is the difference between \$195,417,215 and \$93,435,006.

The CHAIRMAN: \$102,000,000 approximately.

The WITNESS: The items shown as transfer from existing stocks are those being, from time to time, announced as having been transferred. As I mentioned before, the armament and ammunition offered but not allocated means notified to the standing group as becoming available from time to time in accordance with the general policy to transfer this equipment to the North Atlantic Treaty Organization, and a request made for the recommendations of the standing group as to the countries or country to which the equipment should be allocated.

The aircrew training—again the recommendations of the standing group as to the allocation of vacancies to various countries desiring or needing air crew training in this country are sought and so far have been accepted. The costs of this air crew training include everything except the pay and allowance of the NATO trainees. The transfer of equipment from new production—

Mr. WRIGHT: Could you give us the numbers who are in training or trained?

The WITNESS: I have some information on that if desired. Graduated: trained for the R.A.F., 25 pilots to date—the R.A.F. of the United Kingdom; Belgium, 10 pilots and 4 navigators; Holland, 8 pilots; France, 24 pilots and 20 navigators; Norway, 10 pilots and 5 navigators; Italy, 9 pilots and 8 navigators; for a total of 86 pilots and 37 navigators, or 123 in all.

By Mr. Stick:

Q. What is that figure for Italy again?—A. 9 pilots and 8 navigators.

Q. And Holland?—A. The Netherlands, 8 pilots.

Q. And Belgium?—A. 10 pilots and 4 navigators.

Q. Thank you.—A. Under training now for the United Kingdom, 199 pilots and 232 navigators.

Mr. MACDOUGALL: What was that figure again?

The WITNESS: Under training now for the United Kingdom, 199 pilots and 232 navigators; for Belgium, 15 pilots and 10 navigators; for France, 26 pilots; The Netherlands, 3 pilots; Norway, 4 pilots; Italy, 15 navigators; for a total of 247 pilots and 257 navigators. In summary, that is a total of 123 graduated and 504 currently under training.

The transfer of equipment from new production shows the details of the allocation of 300 anti-aircraft No. 4 Mark VI radar sets. The allocation of these 300 sets again is on the recommendation of the standing group as to the countries which should receive them. The funds are paid direct from the appropriation to the Department of Defence Production, which in turn disburses to the manufacturer, in this case Canadian Arsenals Limited.

Mr. McCUSKER: How do you take care of the capital cost involved in providing equipment to manufacturers?

The WITNESS: In order to undertake the manufacture of these radar sets, it was necessary for certain additional tooling and facilities to be provided. The Department of Defence Production have two ways in which they can do this: either allow the user to finance the capital assistance himself and charge back the costs of this additional facility into the cost price of the article, or provide capital assets which, generally speaking, remain in the ownership of the crown but are allowed to be used by the producer. In this case, and Mr. Mackenzie will correct me if I am wrong, these assets were purchased out of the \$2,500,000 and remain in the ownership of the crown.

By Mr. Stick:

Q. You charge them higher? The manufacturer is using equipment on which the government has put up the money to purchase. Do you charge him higher for depreciation or anything like that?—A. That is a matter of Defence Production Department procedure, but, as I understand it, if equipment provided is to be used exclusively, as in this case, exclusively for items being manufactured for the government, there is no purpose in charging them higher for it, as they will merely charge it back again on the cost of the item.

Q. I understand if he uses his own equipment he charges the government higher?—A. If he uses his own equipment then the cost of this equipment is paid by him; but however he charges for the use of it, it is in the unit cost of the article. I think Mr. Mackenzie if one would refer to his statement the other day, dealt with this at some length.

The CHAIRMAN: The difficulty is we have not had the printed record yet.

By Mr. Harkness:

Q. Mr. Chairman, I would like to ask if there is any difference in the procedure of making payments out of this special fund as compared with ordinary payments, and particularly what limitations there are in regard to what that special fund can be used to purchase.—A. The procedure for making payments out of the special fund is virtually the same as for payments out of the regular appropriation. If it is desired to acquire an article using the special fund rather than the straight appropriation, a request is made of the Department of Defence Production to procure it, and so far as they are concerned it is treated in exactly the same way as any other request. The authorization of the Minister of National Defence in the requisite case is needed, an order in council in the requisite case is obtained, and there is the same procedure in respect to delivery, inspection and payment.

Q. Is there any limitation on what can be purchased out of this fund, or can it be used for any purpose the National Defence Department desires?—A. The purposes for which it can be used are laid down in the terms of the original appropriation—it is to be used for the procurement of equipment of the Canadian forces subject to the approval of the Governor in Council.

The CHAIRMAN: You will notice it is very limited, Mr. Harkness.

Mr. HARKNESS: That is what I was trying to get at, how limited it was.

By Mr. Harkness:

Q. Now, if you have not enough money in your appropriation to buy guns, then you can take money out of this special fund to buy them?—A. I would rather put it this way, that if there is not sufficient money in the special fund to meet the cost of the guns, then we would have to endeavour to have this amount supplemented by an appropriation.

Q. What that amounts to is that up to date all your purchases on guns or armament come out of this special fund, is that correct?—A. Not all, Mr. Harkness.

Q. You still have \$100,000,000 of that left, approximately?

Mr. MACDOUGALL: \$102,000,000.

The WITNESS: We have against the appropriation of the special fund, \$272,000,000, already committed \$206,698,176.

By Mr. Harkness:

Q. You have let contracts to that amount, is that what you mean?—A. No, unfortunately. This statement represents the encumbrance, the encumbrance of funds by the Department of National Defence, and the funds are encumbered or entailed when we send over a requisition carrying a certification that funds are available to the Department of Defence Production. There obviously will be a lag between the time we encumber the funds and send over the requisition to the Department of Defence Production and such time as the Canadian government places the order.

Q. What that means is this, when you will have expended in cash approximately \$93,000,000, you will have left in that fund \$102,000,000 approximately, and you have made commitments against that of another \$140,000,000 or so.—A. We have encumbered these funds to the extent of \$206.7 million. Against those encumbrances we have expended in cash \$93,435,006.

Mr. STICK: It is 1 o'clock, Mr. Chairman. I move we adjourn.

The WITNESS: That represents the rate at which deliveries are being made against these demands.

By Mr. Harkness:

Q. In other words, then, as far as your commitment is concerned it is almost finished and you will have to draw on your other appropriation to make up the balance?—A. No, as I pointed out, against the appropriation of \$272,000,000 we have specifically committed approximately \$207,000,000.

Q. The total amount of your fund is only \$195,000,000 to begin with, and you have to draw on your regular appropriation to have equipment and ammunition.—A. Well, in general, I would agree with your statement that we are having to draw on our regular appropriations to purchase armament and ammunition. That is correct.

The CHAIRMAN: Gentlemen, it is 1 o'clock. Just for your information, I suggest that before the next meeting you give some consideration and thought to the questions and the kind of information that you would want from the governmental officials and have them ready at the next meeting so that you can put them on record and give them an opportunity to present them to you at the proper time.

Mr. DREW: Of course I would remind you, Mr. Chairman, that we have already indicated what we are anxious to get is the answers to the questions in regard to weapons of various kinds.

The CHAIRMAN: Mr. Drew, that is not just as easy as I thought it would be. That is being worked on at the moment in the Department of Defence Production. Then it has to be sent to the Department of Defence. Then it will be considered and released to the committee. That all takes quite some time.

Mr. DREW: Mr. Chairman, Mr. Drury could tell us right now what rifles are on order, what machine guns are on order, what bazookas are on order; without all this difficulty. I cannot believe that the Department of National Defence has its records in such a state that they cannot tell any given day exactly what they have and what they have on order.

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The CHAIRMAN: Mr. Drew, they can answer that question in a second—

Mr. DREW: That is what I thought, in about a second.

The CHAIRMAN: —except that they require security clearance before these questions are answered. They are now endeavouring to obtain that; and you know, as well as I do, that obtaining clearance takes time, all this material has to be looked at and reviewed from that standpoint before they can bring it down here.

Mr. DREW: You mean clearance on security grounds?

The CHAIRMAN: Quite.

Mr. DREW: There does not seem to be any reason why clearance should not have been given by this time; the items have been before the committee for some time now.

The CHAIRMAN: Since when?

Mr. DREW: Since last week, Thursday, I believe.

The CHAIRMAN: Well, all this entails a considerable amount of work. I may tell you, and the committee, that the Departmental staff worked until 12.30 o'clock last night collecting this information in form to make it available to the committee. I think they did very well.

Mr. DREW: I am raising the issue of answers to questions about the types of weapons that we have for our land, sea and air forces; and, after all, it is weapons that build real defence, with trained men behind them. We have received some general figures which are very important, but, nevertheless, that is where defence lies, in view of the very serious situation we face, and in the eventuality that we may have to fight. As you just said, they could give us those answers in a second with regard to initial production. On this matter of security clearance I appreciate, as you have said, that it is a different group of people who pass on, who decide, whether there is any measure of security involved. As I see it, that should not be very difficult to decide, particularly in view of the fact, as you pointed out, that while it involved the staff working until 12.30 o'clock last night, the material was ready for review from that standpoint then.

The CHAIRMAN: That is exactly what I said: one group of people prepared the material and it is now in the other department, the Department of Defence, for the purpose of security clearance. As soon as it is cleared it will be brought to this committee.

This committee stands adjourned until 11.00 o'clock on Thursday next.

Mr. DREW: Just before you leave the chair, I suggest that we meet at 11.00 o'clock tomorrow.

The CHAIRMAN: We stand adjourned until 11.00 o'clock Thursday morning.

Mr. DREW: Well, Mr. Chairman, I do not want to do any more than present the simple fact that if this committee adjourns until Thursday it means that this committee is not going to get any information before this session ends that is of real value in determining what our expenditures are and what our effective defence position is. I think that we should have some reason before we are told at a time when at any rate the session is coming to a close or may even terminate this week, that we are not going to meet until Thursday. I have heard no suggestion of any reason why we should not meet at 11:00 o'clock tomorrow.

Mr. McILRAITH: May I say something about that? I object to Mr. Drew's statement about our not getting more work done and about there being no

information available for this committee. Surely, information such as we have had brought forward this morning is of real value. Does he suggest that such information is of no worth at all?

Mr. DREW: I said nothing of the kind. Mr. Drury can tell us right now what rifles are on order, what machine guns are on order, and what bazookas are on order, without all this difficulty? I cannot believe that the Department of National Defence has its records in such a state that they cannot tell on any day exactly what they have on order.

The CHAIRMAN: They could answer that question in a second.

Mr. DREW: That is what I thought.

The CHAIRMAN: Except they require certain clearances before these questions are answered. They are now endeavouring to obtain those—and you know the clearances as well as I do—and until such times as they obtain security clearances—

Mr. DREW: There would not seem to be any reason why the clearances could not be granted. This came before the committee—

The CHAIRMAN: Yes, last week, but all this required a considerable amount of work. The Department worked on this until 12.30 last night, in order to bring in this essential material.

Mr. DREW: I am raising a question in regard to answers to questions about the types of weapons that we have for our land, sea, and air forces. After all, it is weapons that mean real defence, and trained men behind them—not simply general figures. Figures are very important but, nevertheless, this is where defence lies or, in the event of a more serious situation, where the ability to fight lies. As you have just said they could give the answer to any of those questions subject to the one question of whether there is security involved. It is a different group of people which will decide whether there are any security measures which apply—different from those who perhaps had to work until 12.30 last night.

The CHAIRMAN: That is exactly the situation. One set of people had to prepare the information. It is now with the Department of Defence for the purpose of security clearance. As soon as it has been cleared we will have it. That is why I intend to have this committee adjourn now until Thursday.

Mr. DREW: Mr. Chairman, I do not want to do any more than simply present the fact that if this committee adjourns now until Thursday it means that the committee is not going to get any information before this session ends.

Mr. MACDONNELL: May I ask a question following that by Mr. Drew. Why can we not meet tomorrow? You are disposing of the matter by saying that it is because the information cannot be prepared.

The CHAIRMAN: It takes some time for us to digest this information, to ask questions intelligently, and the department requires some time to prepare the information. To me, those seem to be two very good reasons.

Mr. MACDONNELL: The only reason you gave two or three minutes ago was the reason of security and that, surely, does not take a very long time.

The CHAIRMAN: I said that was one of the reasons. The information had to be collected in one department, and sent over to be cleared in another department. One of the matters which have to be cleared will be security and that is not done in the snap of a finger. It is very important.

Mr. MACDONNELL: Will you bear in mind that on Wednesday we begin sitting at 11?

The CHAIRMAN: I realize that on Wednesday we sit at 11, and that we will probably close on Friday. That is why I have encouraged this committee to ask for information. I had this in mind: A great deal of information this committee requires cannot be answered at this session. Whatever

is left over will be brought forward in the interval so that when this committee, or a similar committee, meets again in the early part of next session the information will be available for the record. We can then proceed more quickly and effectively. I think if we accomplish that we have accomplished much.

Mr. HARKNESS: Mr. Chairman, I think you are maligning the intelligence of this committee when you say that we cannot meet tomorrow and ask intelligent questions.

The CHAIRMAN: I take that back, Mr. Harkness.

Mr. DREW: Mr. Chairman, I am only going to repeat this. There is no difference between now and tomorrow morning. The whole matter of the ultimate decision on security must be a government decision. There is no difference between now and tomorrow morning with the department, and there are no questions in terms of security in relation to weapons. I will point this out—that it is very strange that we cannot get information which has been given in a very detailed form in the past few days by both the United States and Great Britain.

The CHAIRMAN: Mr. Drew, we must each understand from the very beginning that no one has been refused a tittle of information in this committee. Nothing you have asked for has been refused.

Mr. MACDONNELL: No one is suggesting that.

Mr. DREW: I am asking why we cannot meet tomorrow.

The CHAIRMAN: The main point we are concerned with is obtaining information and it is the hope of every member of this committee that every bit of information be brought forward. Because we cannot bring it forward as quickly as we would want, or as you would want it, it is not possible to meet until later in the week.

Mr. DREW: Let us dispose of this. In your own words you said that questions with regard to weapons could be answered in one second. Those were your words. You said that what prevented an answer was clearance with regard to security, and there is no possible doubt but that between now and tomorrow morning, if that decision has not already been given—clearance on security in regard to the weapons referred to can be given. There undoubtedly may be certain secret weapons but that is known, we are referring to records which are kept to the extent that an ordinary answer can be given in one second. That I think is the most vital information, because what we are doing or preparing to do here is to consider the defence of this country, or we are preparing to meet the threat of something more than defence.

The CHAIRMAN: I am anxious that every bit of that information be brought forward, so for that reason I assure you that it is not possible to do it in so quick a time. It will take a few days in order to reach a conclusion under which I hope it will be possible to give the widest possible information. I do not know what that conclusion may be, but it is important enough so that we should leave it for the next meeting of the committee.

Mr. DREW: Then I move that this committee adjourn to meet again at 11.00 tomorrow morning.

The CHAIRMAN: You have heard the motion. It is moved by Mr. Drew and seconded by Mr. Macdonnell that the committee adjourn to meet again tomorrow morning at 11.00 o'clock. All those in favour? All those against? The motion is lost.

Mr. DREW: I ask that the vote be recorded, Mr. Chairman.

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The CHAIRMAN: Very well. All those in favour of Mr. Drew's motion will say "aye".

Mr. STICK: Mr. Chairman, in a committee the other day I asked for the vote to be recorded and they told me it could not be done unless I had made the request before the vote was taken.

The CHAIRMAN: I think you are right, Mr. Stick, and once the vote is taken, it is too late to ask to have a recorded vote. You should I believe, ask for it before the vote is taken.

The meeting adjourned.

APPENDIX A

P.C. 6171

COMPOSITION OF TREASURY BOARD

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 21st December, 1950.

The Committee of the Privy Council, on the recommendation of the Right Honourable Louis S. St-Laurent, the Prime Minister, advise:

1. That the following members of the King's Privy Council for Canada—

The Right Honourable J. G. Gardiner
The Honourable Alphonse Fournier
The Honourable J. J. McCann
The Honourable M. F. Gregg
The Honourable S. S. Garson

do, with the Minister of Finance, constitute the Treasury Board, in accordance with the terms of the Department of Finance and Treasury Board Act, Chapter 71 of the Revised Statutes of Canada, 1927:

2. That the following members of the King's Privy Council for Canada be designated as substitute members of the Treasury Board:

The Honourable Brooke Claxton
The Honourable Lionel Chevrier
The Honourable R. W. Mayhew
The Honourable Hugues Lapointe
The Honourable Walter Harris

3. That the presence of three members of the said Treasury Board do constitute a quorum thereof.

A. M. HILL,

Assistant Clerk of the Privy Council.

APPENDIX B

DEPARTMENT OF NATIONAL DEFENCE
(To be read in connection with Chart No. 2,
Tabled December 4)

Date: December 10, 1951.

Requested by Mr. Croll.

APPOINTMENTS OF SENIOR OFFICERS AT NATIONAL
DEFENCE HEADQUARTERS, OTTAWA

I. MINISTER'S OFFICE

Minister Hon. Brooke Claxton, DCM, KC, BCL,
LLD, MP
Parliamentary Assistants Mr. J. A. Blanchette, M.P.
Mr. R. O. Campney, M.P.

II. DEPUTY MINISTER'S OFFICE

Deputy Minister Mr. C. M. Drury, CM, CBE, DSO
Assistant Deputy Minister Mr. E. B. Armstrong
(Finance)
Real Estate Advisor Mr. B. B. Campbell, OBE, ED
Assistant Deputy Minister Mr. L. M. Chesley
(Requirements)
Judge Advocate General Brigadier W. J. Lawson, EM
Director of Public Relations Mr. W. H. Dumsday
Chief Secretary vacant
Inspection Services Mr. P. Conroy, OBE, MC
Assistant Deputy Minister Mr. J. A. Sharpe, OBE
(Admin. & Personnel)

III. CHAIRMAN, CHIEFS OF STAFF

Chairman, Chiefs of Staff Lt. Gen. C. Foulkes, CB, CBE, DSO, CD

IV. NAVY

Chief of Naval Staff Vice Admiral E. R. Mainguy, OBE, CD
Vice Chief of Naval Staff Rear Admiral H. G. De Wolf, CBE,
DSO, DSC
Chief of Naval Technical Services Rear Admiral (E) J. G. Knowlton, OBE
Chief of Naval Personnel Commodore J. C. Hibbard, DSC
Assistant Chief of Naval Staff (Plans) . vacant
Assistant Chief of Naval Staff (Air) .. Commodore C. L. Keighly-Peach, DSO,
OBE, RN

V. ARMY

Chief of the General Staff Lt. Gen. G. G. Simonds, CB, CBE,
DSO, CD
Vice Chief of the General Staff Major General H. A. Sparling, CBE,
DSO, CD
Adjutant General Major General W. H. S. Macklin, CBE
Quartermaster General Major General S. F. Clark, CBE, CD

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VI. AIR FORCE

Chief of the Air Staff Air Marshal W. A. Curtis, CB, CBE,
DSC, ED
Vice Chief of the Air Staff Air Vice Marshal F. R. Miller, CBE, CD
Air Member for Personnel Air Vice Marshal F. G. Wait, CBE, CD
Air Member for Technical Services .. Air Vice Marshal D. M. Smith, CBE, CD

VII. DEFENCE RESEARCH BOARD

Chairman Dr. O. M. Solandt, OBE, MD, MRCP,
FRSC
Chief of Administration Mr. G. W. Dunn, C. A.
Chief of Division A Dr. G. S. Field, MBE, DSC, FRSC, FASA
Chief of Division B Dr. J. J. Green, MBE, BSc, PhD,
FRAeS, FIAS
Chief of Division C Col. G. M. Carrie, OBE, ED, BSc, MEIC.

APPENDIX C

DEPARTMENT OF NATIONAL DEFENCE

Date: December 10, 1951

Requested by Mr. Wright.

MEMBERSHIP OF THE DEFENCE RESEARCH BOARD

Chairman (full-time)

Omond McKillop Solandt, O.B.E., M.A., M.D., D.Sc., M.R.C.P., F.R.S.C.

Vice-Chairman (full-time)

Emlyn Llewelyn Davies, O.B.E., M.Sc.

Members ex-officio

The Chief of the Naval Staff—Vice Admiral E. R. Mainguy, O.B.E., C.D.

The Chief of the General Staff—Lieut. General G. G. Simonds, C.B., C.B.E., D.S.O., C.D.

The Chief of the Air Staff—Air Marshal W. A. Curtis, C.B., C.B.E., D.S.C., E.D.

The Deputy Minister of National Defence—C.M. Drury, Esq., C.B.E., D.S.O.

The President of the National Research Council—C. J. Mackenzie, C.M.G., M.C., B.E., M.C.E., D. Eng., D. Sc., L.L.D., F.R.S.C., F.R.S.

Members by appointment (for terms of three years)

R. F. Farquharson, M.B.E., M.B., D.Sc., F.P.C.P.(C)., Professor and Head of the Department of Medicine, University of Toronto, Toronto, Ontario. (term expires March 31, 1952)

H. Greville Smith, C.B.E., M.A., President, Canadian Industries Ltd., Montreal, P.Q. (terms expires March 31, 1952)

A. E. Cameron, M.Sc., D.Sc., President, Nova Scotia Technical College, Halifax, N.S. (term expires March 31, 1953)

Brigadier F. C. Wallace, D.S.O., M.C., Executive Vice-President Smith and Stone Ltd., Georgetown, Ont. (term expires March 31, 1953)

A. R. Gordon, O.B.E., M.A., Ph.D., F.R.S.C., Professor and Head of the Department of Chemistry, University of Toronto, Toronto, Ontario. (term expires March 31, 1954)

G. M. Shrum, O.B.E., M.M., M.A., Ph.D., F.R.S.C., Professor and Head of the Department of Physics, University of British Columbia, Vancouver, B.C. (term expires March 31, 1954)

Secretary

W. H. Barton, B.A.

APPENDIX D

DEPARTMENT OF NATIONAL DEFENCE

MONTHLY PAY AND ALLOWANCES FOR ALL RANKS FOR THE ARMED FORCES, NOV. 30, 1941 Date: December 10, 1951.
Reported by Messrs. Stuck and Churchill.

RANK			PAY		Trade Pay Additional to Basic Pay and Increments (Group Rate)	Subsistence, Quarters and Ration Allowance				Marriage Allowance				Separated Family Allowance				Foreign Allowance	Risk Allowance
NAVY	ARMY	AIR	Basic	Increments		Quarters Allowance		Ration Allowance		Living Out		Occupying Quarters		Occupying Permanent Quarters		With Children			
			\$ cts.			\$ cts.	\$ cts.	Normal Rate	Maximum Rate on Minister's Approval	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Ordinary Seaman on Entry.	Private Recruit	Aircraftman 2nd Cl	79 00					20 00	45 00	30 00	27 50	20 00	20 00	20 00	42 00	5 00	5 00	9 00	
Ordinary Seaman Trained.	Private 2nd Cl.	Aircraftman 1st Cl.	83 00					20 00	45 00	30 00	27 50	20 00	20 00	20 00	42 00	5 00	5 00	9 00	
Able Seaman.	Private 1st Cl.	Landing Aircraftman.	90 00	After 3 and 6 yrs in the rank add \$3 00				20 00	45 00	30 00	27 50	20 00	20 00	20 00	42 00	5 00	5 00	9 00	
Landing Seaman.	Corporal	Corporal	102 00		I 4			20 00	45 00	30 00	27 50	20 00	20 00	20 00	42 00	5 00	5 00	9 00	
Petty Officer 2nd Cl	Sergeant	Sergeant	119 00		II 12			20 00	45 00	30 00	27 50	20 00	20 00	20 00	42 00	5 00	5 00	12 00	
Petty Officer 1st Class.	Staff Sergeant.	Flight Sergeant.	129 00	After 3 and 6 yrs in the rank add \$5 00				20 00	45 00	30 00	27 50	20 00	20 00	20 00	42 00	5 00	5 00	15 00	
Chief Petty Officer 2.	Warrant Officer 2.	Warrant Officer Cl 2.	161 00		III 20			20 00	45 00	30 00	27 50	20 00	20 00	20 00	42 00	5 00	5 00	15 00	
Chief Petty Officer 1.	Warrant Officer 1.	Warrant Officer Cl 1.	180 00		IV 28			20 00	45 00	30 00	27 50	20 00	20 00	20 00	42 00	5 00	5 00	16 50	
Midshipman.			97 00					20 00	45 00	40 00								13 50	
Acting Sub-Lieut.	2nd Lieutenant.	Pilot Officer.	162 00					20 00	45 00	40 00	37 50	30 00	27 50	20 00	46 00	5 00	5 00	13 50	

DEFENCE EXPENDITURE

Sub Lieutenant Commissioned Officer	Lieutenant	Flying Officer	195 00	After 3 and 6 yrs in the rank and in the case of Flt/Lt	79 00	43 00	20 00	45 00	40 00	37 50	30 00	79 00	20 00	64 00	5 00	16 50	In flying, dates parachute jumping qualifying appointed to serve in a submarine \$30 00 per month.
Lieutenant	Captain	Flight Lieutenant	234 00	After 9 yrs in their rank add \$15 00	79 00	43 00	20 00	45 00	40 00	37 50	30 00	79 00	20 00	64 00	5 00	15 00	
1st Commander	Major	Squadron Leader	312 00	After 3 and 6 yrs in the rank add \$25 00	98 00	53 00	20 00	45 00	40 00	37 50	30 00	98 00	20 00	83 00	5 00	24 00	
Commander	1st Colonel	Wing Commander	367 00		108 00	58 00	20 00	45 00	40 00	37 50	30 00	108 00	20 00	83 00	5 00	27 00	
Captain	Colonel	Group Captain	517 00	After 3 and 6 yrs in the rank add \$35 00	119 00	64 00	20 00	45 00	40 00	37 50	30 00	119 00	20 00	104 00	5 00	37 50	
Commodore	Brigadier	Air Commodore	669 00		128 00	68 00	20 00	45 00	40 00	37 50	30 00	128 00	20 00	113 00	5 00	49 50	
Rear Admiral	Major General	Air Vice Marshal	786 00		135 00	70 00	20 00	45 00	40 00	37 50	30 00	135 00	20 00	120 00	5 00	55 50	

APPENDIX E
DEPARTMENT OF NATIONAL DEFENCE
NATO—MUTUAL AID PROGRAMME
(1950-51 and 1951-52)

Requested by Messrs. Wright, Churchill and Macdonnell

Date: December 10, 1951.

	Appropriation		Committed		Expended to date
	Cash	Future Years	Cash	Future Years	
	\$	\$	\$	\$	\$
1950-51					
Transfer from existing stocks					
Armament and Ammunition for 1 Division to Netherlands.....	56,750,000		56,750,000		56,750,000
Armament and Ammunition for 1 Division to Belgium.....	56,750,000		56,750,000		56,750,000
Armament and Ammunition for 1 Division to Italy (Minor substitutes).....	50,000,000		50,000,000		50,000,000
100 3.7 Guns—62,000 Rounds Ammunition—25 Search Radar—25 Gun laying radar—25 Predictors—25 Generators. (Guns allocated to France 60—Italy 16—Netherlands 16 and Portugal 8).....	31,245,000		31,245,000		31,245,000
24 25-Pounder guns to Luxembourg.....	672,216		672,216		672,216
1951-52					
49 17-Pounder guns and 8,370 Rounds Ammunition to Italy.....	5,250,000		5,250,000		
Armament and Ammunition to Belgium, Denmark, France, Italy, Netherlands and Norway.....	6,030,900		6,030,900		
Armament and Ammunition, offered but not allocated					
108 25-Pounder Guns and Ammunition.....	5,503,527				
200 3.7 AA Guns (Guns only).....	11,595,000				
700 PIATS and 32 6-Pounder Guns.....	501,284				
36 17-Pounder Guns and 1 Year's Spares.....	1,399,680				
Armament and Ammunition for Jan. '52 release.....	7,243,002				
Armament and Ammunition for Mar. '52 release.....	36,562,482				
Armament and Ammunition—balance available for release.....	3,032,975				
Aircrew Training					
Training Costs.....	272,667,126		206,698,176		195,417,216
Capital Costs.....	15,114,244		2,628,907		2,628,907
	40,685,756		22,011,808		22,011,808
Transfer of equipment from New Production					
300 AA No. 4, Mark VI Radar Sets, allocated to: (Including Capital Assistance of \$2,500,000 cash)					
Belgium..... 18					
Denmark..... 28					
Italy..... 48					
Netherlands..... 43					
Norway..... 13					
U.K..... 150					
	300				
180 155-MM. U.S.-type Howitzers.....	2,435,982		2,435,982		
45,000 sets Walkie-Talkie Radios.....	5,480,000		5,480,000		
	361,383,108	29,750,000	264,254,933	24,784,018	220,807,199

DEFENCE EXPENDITURE

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APPENDIX F

DEPARTMENT OF NATIONAL DEFENCE

STATEMENT OF ESTIMATES, ALLOTMENTS AND EXPENDITURES

1950-51 FISCAL YEAR

Requested by Mr. Macdonnell

Date: Dec. 10, 1951.

	Estimates	Final Cash Allotment	Actual Expenditures
NAVY			
01 Civil Salaries and Wages.....	12,056,688	10,955,331	10,955,330
02 Civilian Allowances.....	12,000	11,615	11,615
03 Pay and Allowances.....	24,055,850	23,770,442	23,770,440
04 Professional and Special Services—			
Corps of Commissioners.....	412,036	479,877	479,877
Professional Fees—Architects, Engineers, Land Valuation and Legal.....	100,000	97,108	97,108
Medical and Dental Consultants and Special Services.....	101,700	152,705	152,704
Fees for Special Courses.....	463,350	398,437	398,436
05 Travelling and Removal Expenses.....	2,653,150	2,794,084	2,794,083
06 Freight, Express and Cartage.....	550,000	620,589	620,588
07 Postage.....	35,000	35,067	35,067
08 Telephones, Telegrams and other Communication Services.....	497,500	228,546	228,545
09 Printing of Departmental Reports and Other Publications.....	230,000	186,203	186,203
10 Films, Displays, Broadcasting, Advertising and other Information Materials.....	180,000	231,788	231,788
11 Office Stationery, Supplies, Equipment and Furnishings.....	466,000	448,560	448,559
12 Materials and Supplies—			
Fuel for Heating, Cooking and Power Generating Units.....	1,391,300	1,108,568	1,108,568
Clothing and Personal Equipment.....	2,385,636	1,488,666	1,488,666
Gasoline, Fuel Oil and Lubricants for Ships, A/C and M/E.....	3,035,989	2,021,870	2,021,870
Food Supplies.....	3,018,524	2,646,119	2,646,118
Naval Stores.....	6,790,710	4,038,700	4,038,699
Medical and Dental Supplies.....	118,028	108,420	108,420
Ammunition and Bombs.....	7,650,000	3,961,443	3,961,443
Barrack, Hospital, Camp and Miscellaneous Stores.....	1,544,500	949,725	949,725
13 Acquisition and Construction of Buildings and Works including Acquisition of Land—			
Purchase of Real Properties (Land and Buildings).....	138,000	74,715	74,715
Construction—Major Contract Projects.....	12,951,000	8,521,810	8,434,776
14 Repair and Upkeep of Bldgs and Works including Land.....	3,658,500	3,818,501	3,818,501
15 Rentals of Land, Buildings and Works.....	65,000	23,331	23,331
16 Major Procurement of Equipment—			
Ships and Aircraft.....	11,940,000	7,922,684	7,922,684
M.E. including Transport.....	796,000	321,662	321,662
Armament Equipment.....	11,008,000	8,498,430	8,498,429
Signal and Wireless Equipment.....	11,723,175	3,621,325	3,621,324
Special Training Equipment.....	156,000	67,643	67,642
17 Repair and Upkeep of Equipment—			
Repair and Upkeep of Ships and Aircraft.....	10,022,286	8,169,134	8,169,133
Repairs and Spare Parts for M.E. incl. Transport.....	538,250	412,459	412,458
18 Rentals of Equipment.....			
19 Municipal and Public Utility Services.....	814,700	817,619	817,619
20 Contributions, Grants, Subsidies, etc not incl Elsewhere.....	68,547	50,674	50,674
21 Pensions, Superannuation and Other Benefits for Personal Services.....	107,407	132,272	132,272
22 All other Expenditures—			
Laundry and Dry Cleaning.....	50,000	49,180	49,180
Expenditures not Elsewhere Provided.....	930,000	700,828	700,828
	132,731,826		
Less estimated amount for commitments nominally to fall due during the 1950-51 fiscal year but not required for actual expenditures in that year.....	21,195,696		
TOTALS.....	111,536,130	99,936,130	99,849,080

Less estimated amount for commitments nominally to fall due during the 1950-51 fiscal year but not required for actual expenditures in that year.....

TOTALS.....

SPECIAL COMMITTEE

DEPARTMENT OF NATIONAL DEFENCE—Continued

Statement of Estimates, Allotments and Expenditures

1950-51 FISCAL YEAR

	Estimates	Final Cash Allotment	Actual Expenditures
ARMY			
01 Civil Salaries and Wages.....	17,216,490	19,762,284	19,762,282
02 Civilian Allowances.....	145,500	186,501	186,500
03 Pay and Allowances.....	65,693,119	64,998,906	64,998,903
04 Professional and Special Services—			
Corps of Commissionaires.....	356,950	420,302	420,301
Professional Fees—Architects, Engineers, Land			
Valuation and Legal.....	200,000	403,000	402,374
Medical and Dental Consultants and Special Services	653,155	787,058	787,058
Fees for special Courses.....	206,000	130,665	130,664
05 Travelling and Removal Expenses.....	6,637,517	8,007,578	8,007,574
06 Freight, Express and Cartage.....	5,516,290	4,598,612	4,598,608
07 Postage.....	127,532	139,484	139,483
08 Telephones, Telegrams and other Communication			
Services.....	800,987	929,191	929,190
09 Printing of Departmental Reports and Other Publica-			
tions.....	319,820	643,000	642,090
10 Films, Displays, Broadcasting, Advert'g and other			
Info. Materials.....	1,100,000	1,082,094	1,082,093
11 Office Stationery, Supplies, Equipment and Furnishings..	1,160,366	1,151,771	1,144,346
12 Materials and Supplies—			
Fuel for Heating, Cooking and Power Generating			
Units.....	5,916,800	5,826,916	5,836,916
Clothing and Personal Equipment.....	14,450,092	9,760,894	9,760,893
Gasoline, Fuel Oil and Lubricants for Ships, A/C			
and M/E.....	2,868,413	2,149,842	2,149,840
Food Supplies.....	7,036,583	7,075,813	7,075,811
Medical and Dental Supplies.....	847,979	1,225,602	1,225,602
Ammunition and Bombs.....	2,000,000	941,226	941,225
Barrack, Hospital, Camp and Miscellaneous Stores	8,346,640	6,507,517	6,507,516
13 Acquisition and Const. of Bldgs and Works Incl. Acquisi-			
tion of Land—			
Purchase of Real Properties (Land and Bldgs).....	700,000	680,000	678,667
Construction—Major Contract Projects.....	30,527,908	27,795,041	27,512,867
Construction—Day Labour and Minor Contract			
Projects.....	5,600,000	5,425,000	5,424,314
14 Repair and Upkeep of Bldgs and Works including Land...	8,333,385	11,771,087	11,771,084
15 Rentals of Land, Buildings and Works.....	481,050	481,650	481,649
16 Major Procurement of Equipment—			
M.E. including Transport.....	6,270,140	12,581,277	12,581,276
Armament Equipment.....	2,282,240	1,534,304	1,434,303
Signal and Wireless Equipment.....	1,792,170	1,490,932	1,490,931
Special Training Equipment.....	135,500	114,628	114,628
17 Repair and Upkeep of Equipment—			
Spare Parts for Tanks and A.F.V.'s.....	1,289,600	2,060,690	1,960,690
Repairs and Spare Parts for M.E. incl. Transport.....	9,612,070	4,745,525	4,745,524
Repair by Contract.....	2,151,300	2,384,999	2,384,998
19 Municipal and Public Utility Services.....	1,688,262	2,111,723	2,111,723
20 Contributions, Grants, Subsidies, etc. not incl. Else-			
where.....	722,437	989,496	989,495
21 Pensions, Superannuation and Other Benefits for Personal			
Services.....	158,616	188,337	188,336
22 All other Expenditures—			
Education of Dependent children.....	229,807	215,716	215,716
Laundry and Dry Cleaning.....	376,900	470,730	470,728
Expenditures not Elsewhere Provided.....	409,615	321,842	492,978
	214,381,233		
Less estimated amount for commitments nominally to fall			
due during the 1950-51 fiscal year but not required for	13,000,000		
actual expenditures in that year.....			
Totals.....	201,381,233	212,801,233	211,779,076

Less estimated amount for commitments nominally to fall due during the 1950-51 fiscal year but not required for actual expenditures in that year

DEFENCE EXPENDITURE

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DEPARTMENT OF NATIONAL DEFENCE—(Continued)
Statement of Estimates, Allotments and Expenditures

1950-51 Fiscal Year

	Estimates	Final Cash Allotment	Actual Expenditures
AIR FORCE			
01 Civil Salaries and Wages.....	9,654,655	9,940,926	9,870,325
02 Civilian Allowances.....	241,524		
03 Pay and Allowances.....	48,483,464	44,218,477	44,218,474
04 Professional and Special Services— Corps of Commissionaires (40), Professional Fees—Architects, Engineers, Land Valuation & Legal (41), Medical & Dental Consultants and Special Services (42).....	37,000	44,296	44,299
	1,165,000	926,440	926,457
05 Travelling and Removal Expenses.....	451,357	667,342	676,341
06 Freight, Express and Carriage.....	250,000	296,471	296,470
07 Postage.....	4,192,609	7,199,462	7,199,450
08 Telephones, Telegrams and other Communication Services.....	2,525,400	1,728,904	1,728,904
	65,000	82,866	82,866
09 Printing of Departmental Reports and Other Publications Films, Displays, Broadsiding, Advertis and other Info Materials.....	885,000	740,019	740,108
10 Office Stationery, Supplies, Equipment and Furnishings, Materials and Supplies— Fuel for Heating, Cooking and Power Generating Units (50).....	754,240	572,132	568,722
	540,700	619,575	619,574
11 Clothing and Personal Equipment (51), Gasoline, Fuel Oil and Lubricants for Ships, A/C & M/E (52).....	4,407,905	3,627,007	3,627,006
	9,472,706	5,184,092	5,184,091
12 Food Supplies (54), Miscellaneous Materials and Supplies (55), Medical and Dental Supplies (57), Ammunition and Bombs (58), Barrack, Hospital, Camp and Miscellaneous Stores (59).....	8,833,027	6,255,202	6,255,589
	3,143,000	2,148,808	2,148,806
	6,568,512	2,535,739	2,535,718
	348,261	363,485	363,437
	2,008,199	1,568,037	1,568,037
	4,768,644	2,501,016	2,501,014
13 Acquisition and Const. of Bldgs & Works Incl. Acquisi- tion of Land— Purchase of Real Properties (Land & Bldgs) (80), Construction—Major Contract Projects (81), Construction—Day Labour and Minor Contract Projects (82).....	31,755,407	1,063,750	1,063,741
		36,682,007	36,756,416
14 Repair and Upkeep of Bldgs and Works including Land, 15 Rentals of Land, Buildings and Works.....	8,200,030	3,661,210	3,661,205
16 Major Procurement of Equipment— Aircraft and Engines (62), M.E. Including Transport (63), Armament Equipment (64), Signals and Wireless Equipment (65), Special Training Equipment (66), Miscellaneous Equipment (67).....	414,382	6,233,927	6,346,590
	46,297,598	339,262	339,262
17 Repair and Upkeep of Equipment— Repairs and Spare Parts for M.E. Incl. Transport (73) Overhaul of Aircraft including Spares (76), Miscellaneous Repairs (77), 19 Municipal and Public Utility Services, 20 Contributions, Grants, Subsidies, etc. not Incl. Elsewhere 21 Penions, Superannuation & Other Benefits for Personal Services.....	1,191,889	1,314,564	1,314,563
	1,469,868	15,537,226	15,537,224
	22,850,654	8,940	8,938
	3,549,832	1,328,833	1,338,832
	88,000	39,797	39,795
22 All other Expenditures— Education of Dependent Children (90), Laundry and Dry Cleaning (91), Expenditure not Elsewhere Provided (92).....	66,537	87,223	87,223
	451,650	178,125	178,125
	94,300	171,538	171,536
	447,354	144,577	140,170
Less—Recoverable from Dept. of M. & T.S.	278,082,837		
	940,000		
Less—Estimated amount for commitments nominally to fall due during the 1950-51 fiscal year but not required for actual expenditures in that year	277,142,837		
TOTAL	229,092,837	230,592,837	230,558,363

APPENDIX G

DEPARTMENT OF NATIONAL DEFENCE

CUMULATIVE STATEMENT OF EXPENDITURES—FORECAST AND ACTUAL

1951-52 FISCAL YEAR

(Thousand of Dollars)

Requested by Mr. Macdonnell

December 10, 1951

Categories	at June 30 1951	at July 31 1951	at August 31 1951	at September 31 1951	at October 31 1951	at November 30 1951
NAVY						
Civil Salaries and Wages						
Original Forecast.....	3,250	4,750	6,270	7,470	8,670	9,870
Revised Forecast.....					7,900	9,000
Actual Expenditure.....	3,802	5,074	5,924	6,910	7,692	
Pay and Allowances						
Original Forecast.....	8,200	10,870	13,580	16,380	19,100	21,900
Revised Forecast.....					19,500	22,900
Actual Expenditure.....	8,065	10,788	13,725	16,415	18,858	
Major Procurement Ships and Aircraft						
Original Forecast.....	3,500	7,530	12,300	16,300	21,300	27,300
Revised Forecast.....					17,000	22,000
Actual Expenditure.....	2,623	6,454	9,495	12,844	15,389	
Mechanical Equipment Including Transport						
Original Forecast.....	150	260	370	450	600	700
Revised Forecast.....					300	400
Actual Expenditure.....	695	105	121	145	181	
Armament Equipment						
Original Forecast.....	200	400	700	1,200	2,300	3,500
Revised Forecast.....					3,000	4,000
Actual Expenditure.....	59	196	1,575	1,713	2,525	
Signal and Wireless						
Original Forecast.....	500	1,080	1,750	3,200	3,880	5,500
Revised Forecast.....					1,700	2,300
Actual Expenditure.....	365	650	1,060	1,157	1,534	
Other						
Original Forecast.....	15	30	60	100	160	260
Revised Forecast.....					30	40
Actual Expenditure.....	7	9	10	14	17	
Materials and Supplies Clothing and Personal Equipment						
Original Forecast.....	450	950	1,550	2,250	3,000	4,000
Revised Forecast.....					2,600	3,800
Actual Expenditure.....	443	634	1,194	1,505	2,230	
Ammunition and Bombs						
Original Forecast.....	800	1,150	1,500	2,000	3,000	4,000
Revised Forecast.....					1,500	2,200
Actual Expenditure.....	357	606	766	1,001	1,122	
Barrack, Hospital, Camp and Misc. Stores						
Original Forecast.....	600	9,000	1,200	1,600	2,000	2,500
Revised Forecast.....					800	1,000
Actual Expenditure.....	243	336	518	635	741	
Naval Stores						
Original Forecast.....	1,500	1,800	2,300	3,300	4,500	5,000
Revised Forecast.....					3,200	3,600
Actual Expenditure.....	1,293	1,712	2,092	2,479	3,020	

DEFENCE EXPENDITURE

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CUMULATIVE STATEMENT OF EXPENDITURES—FORECAST AND ACTUAL—Con.

1951-52 FISCAL YEAR

(Thousands of Dollars)

Categories	at June 30 1951	at July 31 1951	at August 31 1951	at September 31 1951	at October 31 1951	at November 30 1951
NAVY						
Miscellaneous Supply (Food, Fuel, etc.)						
Original Forecast.....	1,000	1,500	2,000	* 2,500	3,200	4,000
Revised Forecast.....					3,200	3,800
Actual Expenditure.....	898	1,355	2,120	2,646	3,426
Repair and Upkeep Ships and Aircraft						
Original Forecast.....	1,000	1,500	2,000	3,000	5,000	7,000
Revised Forecast.....					4,100	5,200
Actual Expenditure.....	469	1,440	2,402	3,211	4,521
Mechanical Equipment						
Original Forecast.....	50	70	100	* 150	200	250
Revised Forecast.....					150	200
Actual Expenditure.....	43	56	77	94	118
Buildings and Works						
Original Forecast.....	400	600	900	1,300	1,700	2,100
Revised Forecast.....					1,700	2,100
Actual Expenditure.....	237	578	946	1,222	1,779
Other						
Original Forecast.....	20	30	50	150	300	500
Revised Forecast.....					50	80
Actual Expenditure.....		10	23	29	40
Acquisition and Construction of Properties						
Original Forecast.....	1,500	2,300	3,250	5,250	7,250	9,250
Revised Forecast.....					5,600	6,800
Actual Expenditure.....	1,440	2,405	3,437	4,261	6,194
Miscellaneous Services						
Original Forecast.....	1,400	1,900	2,500	3,200	4,000	5,000
Revised Forecast.....					4,000	4,600
Actual Expenditure.....	1,175	1,697	2,486	3,151	3,930
Totals						
Original Forecast.....	24,535	45,720	52,380	69,800	90,160	112,630
Revised Forecast.....					76,330	94,020
Actual Expenditure.....	21,614	34,105	47,971	59,432	73,317

CUMULATIVE STATEMENT OF EXPENDITURES—FORECAST AND ACTUAL—Con.

1951-52 FISCAL YEAR

(Thousands of dollars)

Categories	at Jun 30 1951	at Jul 31 1951	at Aug 31 1951	at Sep 30 1951	at Oct 31 1951	at Nov 30 1951
ARMY						
Civil Salaries and Wages, etc.						
Original Forecast.....	5,300	7,050	8,825	10,600	12,375	14,150
Revised Forecast.....					13,900	15,700
Actual Expenditure.....	5,289	7,523	9,940	12,111	14,680	
Pay and Allowances						
Original Forecast.....	20,500	27,500	35,500	44,000	53,000	63,000
Revised Forecast.....					52,000	61,000
Actual Expenditure.....	20,480	29,474	37,127	43,955	51,374	
Major Procurement						
Tanks and A.F.V.'S						
Original Forecast.....						
Revised Forecast.....						
Actual Expenditure.....						
Mechanical Equipment incl. Transport						
Original Forecast.....	500	1,000	1,500	2,000	3,000	4,000
Revised Forecast.....					5,000	7,000
Actual Expenditure.....	498	659	2,385	3,030	3,640	
Armament Equipment						
Original Forecast.....	15,000	16,000	17,000	18,000	19,000	20,000
Revised Forecast.....					17,000	18,000
Actual Expenditure.....	15,627	15,973	16,009	16,096	16,483	
Signal and Wireless						
Original Forecast.....	1,000	1,250	1,500	2,000	2,500	3,000
Revised Forecast.....					2,000	2,500
Actual Expenditure.....	1,051	1,131	1,193	1,449	1,650	
Special Training Equipment						
Original Forecast.....	25	25	50	50	50	75
Revised Forecast.....					100	125
Actual Expenditure.....	21	46	67	81	95	
Materials and Supplies						
Clothing and Personal Equipment						
Original Forecast.....	6,000	7,500	9,000	11,000	13,000	15,500
Revised Forecast.....					16,500	20,500
Actual Expenditure.....	5,912	7,915	10,595	12,407	15,241	
Ammunition and Bombs						
Original Forecast.....	1,500	1,750	2,000	3,000	4,000	5,000
Revised Forecast.....					4,000	5,000
Actual Expenditure.....	1,474	1,481	1,863	3,232	3,366	
Barrack, Hospital, Camp, and Misc. Stores						
Original Forecast.....	2,500	3,000	3,500	4,000	5,500	7,500
Revised Forecast.....					8,500	10,500
Actual Expenditure.....	2,426	3,430	4,883	6,835	9,139	
Miscellaneous Supplies						
Food, Fuel, POL, Medical and Dental supplies etc.						
Original Forecast.....	2,900	4,650	6,575	8,650	10,625	12,550
Revised Forecast.....					12,300	15,100
Actual Expenditures.....	3,351	5,411	6,883	9,560	12,225	
Repair and Upkeep						
Tanks and A.F.V.'S						
Original Forecast.....	200	300	400	500	750	1,000
Revised Forecast.....					1,000	1,475
Actual Expenditure.....	228	427	730	798	1,114	



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HOUSE OF COMMONS COMMITTEES, 21ST PARLIAMENT, 5TH SESSION : SPECIAL COMMITTEE ON DEFENCE EXPENDITURE, VOL. 1

« House of Commons Committees, 21st Parliament, 5th Session

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Image 1



DEFENCE EXPENDITURE

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CUMULATIVE STATEMENT OF EXPENDITURES—FORECAST AND ACTUAL—Con.

1952-52 FISCAL YEAR

(Thousands of dollars)

Categories	at Jun 30 1951	at Jul 31 1951	at Aug 31 1951	at Sep 30 1951	at Oct 31 1951	at Nov 30 1951
ARMY						
Mechanical Equipment						
Original Forecast.....	2,350	3,000	3,650	4,800	6,000	7,250
Revised Forecast.....					6,000	7,000
Actual Expenditure.....	2,285	3,540	4,505	5,195	6,112	
Buildings and Works						
Original Forecast.....	3,100	4,375	5,650	6,925	8,200	9,475
Revised Forecast.....					12,000	13,000
Actual Expenditure.....	2,988	4,704	6,905	9,074	11,615	
Acquisition and Construction of Property						
Original Forecast.....	5,100	7,650	11,200	15,250	20,300	25,350
Revised Forecast.....					19,200	24,600
Actual Expenditure.....	5,295	8,550	12,148	15,495	19,516	
Miscellaneous Services (Professional Services, travel freight, communications, printing, etc.)						
Original Forecast.....	3,900	4,775	6,125	7,675	9,300	11,125
Revised Forecast.....					15,500	18,500
Actual Expenditure.....	3,552	5,902	8,467	12,641	15,289	
Totals						
Original Forecast.....	69,875	89,825	112,475	138,450	167,600	198,975
Revised Forecast.....					185,000	220,000
Actual Expenditure.....	70,477	95,986	123,705	151,959	181,519	

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CUMULATIVE STATEMENT OF EXPENDITURES—FORECAST AND ACTUAL—Con.

1951-52 FISCAL YEAR

(Thousands of Dollars)

	June	July	August	September	October	November
AIR FORCE						
Civil Salaries and Wages, Etc.						
Original Forecast.....	3,209	4,289	5,387	6,555	7,720	8,935
Revised Forecast.....					7,400	8,700
Actual Expenditure.....	2,639	3,684	4,952	6,083	7,310	8,563
Pay and Allowances						
Original Forecast.....	13,844	19,790	25,905	32,748	38,888	45,244
Revised Forecast.....					32,000	38,000
Actual Expenditure.....	14,565	20,012	25,241	30,626	36,473	41,568
Major Procurement						
Aircraft and Engines						
Original Forecast.....	24,756	45,190	61,330	80,020	102,920	127,417
Revised Forecast.....					125,000	144,000
Actual Expenditure.....	34,309	66,941	81,970	101,368	122,140	143,372
Mechanical Eqpt. incl. Transport						
Original Forecast.....	1,433	1,606	2,063	3,071	4,500	5,917
Revised Forecast.....					3,000	5,000
Actual Expenditure.....	644	831	1,010	1,145	1,868	2,453
Armament Equipment						
Original Forecast.....	303	359	550	724	985	1,227
Revised Forecast.....					300	500
Actual Expenditure.....	061	107	159	187	225	276
Signal and Wireless						
Original Forecast.....	3,261	5,611	6,861	8,211	9,611	11,011
Revised Forecast.....					6,600	8,000
Actual Expenditure.....	1,871	2,687	3,613	5,354	6,310	7,635
Other						
Original Forecast.....	644	1,252	1,773	2,991	4,369	5,762
Revised Forecast.....					3,000	4,000
Actual Expenditure.....	738	1,173	1,563	2,053	2,709	3,362
Materials and Supplies						
Clothing and Personal Eqpt.						
Original Forecast.....	3,535	5,792	8,052	10,426	13,139	15,906
Revised Forecast.....					7,000	9,500
Actual Expenditure.....	2,644	3,625	4,362	4,995	5,770	7,213
Ammunition and Bombs						
Original Forecast.....	850	1,323	1,649	2,130	2,282	2,496
Revised Forecast.....					1,000	1,500
Actual Expenditure.....	476	485	502	563	818	1,055
Barrack, Hospital, Camp and Misc. Stores						
Original Forecast.....	1,383	1,946	2,567	3,223	3,972	4,626
Revised Forecast.....					2,300	3,500
Actual Expenditure.....	867	1,116	1,384	1,722	2,013	2,450
Miscellaneous Supply						
Original Forecast.....	2,361	3,791	4,939	7,490	9,683	13,425
Revised Forecast.....					8,500	12,500
Actual Expenditure.....	2,119	2,620	5,156	6,111	6,614	9,728
Other						
Original Forecast.....	2,241	2,810	3,711	4,397	5,313	5,972
Revised Forecast.....					2,000	2,800
Actual Expenditure.....	347	663	1,115	1,466	1,696	2,006
Repairs and Upkeep						
Aircraft and Engines						
Original Forecast.....	9,418	12,694	16,445	20,181	24,350	29,047
Revised Forecast.....					19,000	23,500
Actual Expenditure.....	5,579	7,897	10,854	16,042	19,109	22,889

DEFENCE EXPENDITURE

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CUMULATIVE STATEMENT OF EXPENDITURE—FORECAST AND ACTUAL—*Concluded*

1951-52 FISCAL YEAR

(Thousands of Dollars)

	June	July	August	September	October	November
AIR FORCE						
Repairs and Upkeep—Concluded						
Mechanical Equipment						
Original Forecast.....	042	075	100	197	314	464
Revised Forecast.....					300	600
Actual Expenditure.....	057	080	100	113	128	151
Buildings and Works						
Original Forecast.....	1,422	2,175	3,147	4,100	5,227	6,882
Revised Forecast.....					6,000	7,500
Actual Expenditure.....	1,368	2,395	3,558	5,420	7,528	10,294
Other						
Original Forecast.....	124	253	677	1,341	2,314	3,492
Revised Forecast.....					2,000	3,400
Actual Expenditure.....	419	917	1,220	1,606	2,404	3,325
Requisition and Construction of Properties						
Original Forecast.....	14,091	24,053	35,411	48,710	62,568	75,312
Revised Forecast.....					42,000	51,000
Actual Expenditure.....	10,314	17,306	25,091	34,571	45,167	55,228
Miscellaneous Services						
Original Forecast.....	3,081	3,145	4,424	5,780	7,381	9,494
Revised Forecast.....					13,000	14,000
Actual Expenditure.....	3,458	5,509	8,934	11,382	14,835	18,358
Grand Totals						
Original Forecast.....	86,024	136,154	184,991	242,295	305,476	372,629
Revised Forecast.....					280,400	338,000
Actual Expenditure.....	82,475	138,048	180,784	230,507	283,117	339,926

NOTE.—Above figures are inclusive of expenditures in respect of Air Training chargeable to the Special NATO Appropriation as follows:

Original Forecast (to the end of the year).....	\$ 55,800,000
Revised Forecast (to the end of the year).....	44,774,000
Actual Charges (Accumulated to 31 October 51).....	24,640,775

APPENDIX H

DEPARTMENT OF NATIONAL DEFENCE

ANALYSIS OF REQUESTS FOR CONTRACTS BY PROCUREMENT AGENCY

1951-52 FISCAL YEAR

(Thousands of Dollars)

Requested by Mr. Macdonnell

Date: December 10, 1951.

	Requests for Contracts as at 31 Oct. 1951	Analysis by Procurement Agency		
		DDP	DCL	CMHC
NAVY				
Major Procurement				
Ships and Aircraft.....	189,871	189,871		
Mechanical Equipment including Transport.....	1,484	1,484		
Armament Equipment.....	110,554	110,554		
Signal and Wireless.....	34,908	34,908		
Other.....	193	193		
Materials and Supplies				
Clothing and Personal Equipment.....	17,939	17,939		
Ammunition and Bombs.....	29,395	29,395		
Barrack, Hospital, Camp and Miscellaneous Stores.....	5,264	5,264		
Naval Stores.....	13,679	13,679		
Miscellaneous Supply.....	7,985	7,985		
Maintenance and Repairs				
Ships and Aircraft.....	9,839	9,839		
Mechanical Equipment.....	360	360		
Buildings and Works.....	1,106	1,106		
Acquisition and Construction of Properties.....	27,057		18,054	9,003
TOTALS.....	449,634	422,577	18,054	9,003

ANALYSIS OF REQUESTS FOR CONTRACTS BY PROCUREMENT AGENCY—Con.

1951-52 FISCAL YEAR

(Thousands of Dollars)

	Requests for Contracts as at 31 Oct. 1951	Analysis by Procurement Agency		
		DDP	DCL	CMHC
ARMY				
Major Procurement				
Tanks and AFV's.....	42,243	42,243		
Mechanical Equipment including Transport.....	45,507	45,507		
Armament Equipment.....	32,006	32,006		
Signal and Wireless Equipment.....	16,187	16,187		
Materials and Supplies				
Clothing and Personal Equipment.....	112,029	112,029		
Ammunition and Bombs.....	115,231	115,231		
Barrack, Hospital, Camp and Miscellaneous Stores.....	48,508	48,508		
Miscellaneous Supplies.....	23,527	23,527		
Maintenance and Repairs				
Tanks and AFV's.....	4,307	4,307		
Mechanical Equipment.....	18,198	18,198		
Acquisition and Construction of Properties.....	88,630	10,308	49,606	28,716
TOTALS.....	546,373	468,051	49,606	28,716

DEFENCE EXPENDITURE

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ANALYSIS OF REQUESTS FOR CONTRACTS BY PROCUREMENT AGENCY—*Concluded*

1951-52 FISCAL YEAR

(Thousands of Dollars)

	Requests for Contracts as at 31 Oct 1951.	Analysis by Procurement Agency			
		DDP	DCL	CMHC	DOT
AIR FORCE					
Major Procurement					
Aircraft and Engines.....	1,159,703	1,159,703			
Mechanical Equipment including					
Transport.....	21,110	21,110			
Armament Equipment.....	2,243	2,243			
Signal and Wireless.....	48,059	48,059			
Other.....	16,634	16,634			
Materials and Supplies					
Clothing and Personal Equipment...	41,535	41,535			
Ammunition and Bombs.....	29,884	29,884			
Barrack Hospital, Camp & Miscel-					
laneous Stores.....	18,252	18,252			
Miscellaneous Supply.....	18,710	18,710			
Other.....	11,437	11,437			
Maintenance and Repairs					
Aircraft and Engines.....	111,759	111,759			
Mechanical Equipment.....	2,457	2,457			
Buildings and Works.....	13,215	13,215			
Other.....	12,573	12,573			
Miscellaneous Services.....	6,161	1,657	4,504		
Acquisition and Construction of Properties					
	189,633	6,807	114,322	35,272	33,252
TOTALS.....	1,703,385	1,516,035	118,826	35,272	33,252

APPENDIX I

DEPARTMENT OF NATIONAL DEFENCE

SUMMARY OF EXPENDITURES 1950-51 AND 1951-52 (1 APRIL-31 OCTOBER, 1951)

NAVY-1950-51

Date: December 10, 1951

Requested by Mr. Macdonnell

	Expendi- tures	ANALYSIS OF EXPENDITURES							Local Pro- curement
		DND	DDP	DCL	CMHC	DOT	DVA		
	\$	\$	\$	\$	\$	\$	\$	\$	
01 Civil Salaries and Wages.....	10,955,320	10,932,719				22,611			
02 Civilian Allowances.....	11,615	11,615							
03 Pay and Allowances.....	23,770,440	23,770,440							
04 Professional and Special Services— Corps of Commissioners.....	479,877	479,877							
Professional Fees—Architects, Engineers, Land Val- uation and Legal.....	97,108		70,410	26,698			45,234		
Medical and Dental Consultants and Special Services.....	152,704	107,470							
Fees for special courses.....	398,436	398,436							
05 Travelling and Removal Expenses.....	2,794,083	2,792,569	737			837			
Freight, Express and Cartage.....	620,588	607,326	12,692			660			
06 Postage.....	35,067	35,067							
07 Telephone, Telegrams and other Communication Services.....	228,545	151,799	68,533			2,573		5,640	
08 Printing of Departmental Reports and Other Publications.....	186,203	186,203							
09 Films, Displays, Broadcasting, Advertising and other Informational Materials.....	231,788	231,788							
10 Office Stationery, Supplies, Equipment and Furnishings.....	448,559	427,398	18,494					2,667	
11 Materials and Supplies— Fuel for Heating, Cooking and Power Generating Units.....	1,108,568		1,100,188					8,380	
Clothing and Personal Equipment.....	1,488,606		1,418,544					70,122	
Gasoline, Fuel Oil and Lubricants for Ships, Aircraft and Mechanical Equipment.....	2,021,870		1,606,431					415,439	
Food Supplies.....	2,646,118		2,337,958					288,160	
Naval Stores.....	4,088,699		4,006,162					32,551	
Medical and Dental Supplies.....	108,420		106,029			980		2,391	
Ammunition and Bombs.....	3,961,443		3,961,443						
Barrack, Hospital, Camp and Miscellaneous Stores.....	949,725		946,402					3,323	

DEFENCE EXPENDITURE

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13 Acquisition and Construction of Buildings and Works including Acquisition of Land	74,715	72,098	1,948,997	6,479,093	2,617	
Purchase of Real Properties (Land and Buildings)	9,434,776	1,739,049	2,008,146		6,086	71,366
Construction—Major Contract Projects	3,818,501	23,331				
14 Repair and Upkeep of Buildings and Works including Land						
15 Rentals of Land, Buildings and Works	7,922,684		7,922,684			
16 Major Procurement of Equipment—						
Ships and Aircraft	321,662		321,662			
Mechanical Equipment	8,498,429		8,498,429			
Armament Equipment	3,621,324		3,606,430			14,894
Signal and Wireless Equipment	67,642		58,888			8,754
Special Training Equipment						
17 Repair and Upkeep of Equipment—						
Repair and Upkeep of Ships and Aircraft	8,169,132	2,351,247	5,817,886		338	9,651
Repairs and Spare Parts for M.E. including Transport	412,458		492,449			
19 Municipal and Public Utility Services	817,619	817,619				
20 Contributions, Grants, Subsidies, etc., not included elsewhere	50,674	50,674				
21 Pensions, Superannuation and other Benefits for Personal Services	132,272	132,272				
22 All Other Expenditures	49,180		41,450			
Laundry and Dry Cleaning	709,828	549,644	151,184			7,790
Expenditures not elsewhere provided						
Totals	99,849,080	45,868,581	46,451,138	26,698	6,479,093	841,008
					36,728	45,234

NOTE: The above analysis is intended to provide an approximation of the distribution of expenditures by procurement agencies. The amounts shown in some instances are estimates and have not been obtained by a detailed examination of all invoices.

DEFENCE EXPENDITURE

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13	Acquisition and Construction of Buildings and Works Including Acquisition of Land— Purchase of Real Properties (Land and Buildings) Construction—Major Contract Projects Construction—Day Labour and Minor Contract Projects	59,901 6,121,202	59,901	2,420,372	3,693,419	782	6,689	
14	Repair and Upkeep of Buildings and Works including Land	13,079	325	12,754				22,815
15	Rentals of Land, Buildings and Works	1,764,227	990,061	781,351				
16	Major Procurement of Equipment— Ships and Aircraft Mechanical Equipment including Transport Armament Equipment Signal and Wireless Equipment Special Training Equipment	15,389,043 181,203 2,524,486 1,534,153 17,120		15,389,043 181,203 2,524,486 1,534,153 17,120				
17	Repair and Upkeep of Equipment—Aircraft Repair and Upkeep of Ships and Aircraft Repairs and Spare Parts for Mechanical Equipment including Transport Repair and Upkeep of Naval Armament Equipment	4,321,224 115,069 40,000	1,761,957	2,759,267				3,010
18	Rentals of Equipment	350,517	359,517					
19	Municipal and Public Utility Services, Contributions, Grants, Subsidies, etc. not included else- where	30,736	30,736					
21	Pensions, Superannuation and other Benefits for Personal Services	63,358	63,358					
22	All other Expenditures— Laundry and Dry Cleaning Expenditures not elsewhere provided	23,242 674,521		21,354 85,787				1,906
34	Less Estimated Savings and Recoverable Items	59,642Cr	59,642Cr					
	Totals	73,317,551	32,941,143	33,188,627	2,768,566	3,693,419	16,261	6,689
								702,846

Note: The above analysis is intended to provide an approximation of the distribution of expenditures by procurement agencies. The amounts shown in some instances are estimates and have not been obtained by a detailed examination of all invoices.

APPENDIX I (Cont.)

DEPARTMENT OF NATIONAL DEFENCE

SUMMARY OF EXPENDITURES 1950-51 AND 1951-52 (1 APRIL-31 OCTOBER, 1951)

ARMY-1950-51

	Expenditures 1950-51 Fiscal year	Analysis of Expenditure						Local Procure- ment
		DND	DDP	DCL	CMHC	DOT	Public Works	Other Govern- ment Depts.
01 Civil Salaries and Wages	19,762,282	19,762,282						
02 Civilian Allowances	186,500	186,500						
03 Pay and Allowances	64,998,903	64,998,903						
04 Professional and Special Services: Corps of Commissioners, Professional Fees—Architects, Engi- neers, Land Valuation and Legal, Medical and Dental Consultants and Special Services	420,301 402,374	420,301	286,894	115,480				
05 Fees for Special Courses	787,068	197,603						
06 Travelling and Removal Expenses	130,694	130,694						589,365
07 Freight, Express and Cartage	8,007,574	7,674,768	332,075					731
08 Postage	4,598,698	4,300,668						297,730
09 Telephones, Telegrams and other Commu- nication Services	139,483	139,483						210
10 Printing of Departmental Reports and Other Publications	929,190	713,921	212,430					2,819
11 Films, Displays, Broadcasting, Advertising and other Information Materials	642,000							
12 Office Stationery, Supplies, Equipment and Furnishings	1,082,003	1,076,774						5,319
13 Materials and Supplies— Fuel for Heating, Cooking and Power Generating Units	1,144,246		22,438					7,206
14 Clothing and Personal Equipment	5,836,916	5,836,916						
15 Gasoline, Fuel Oil and Lubricants for Ships, A/C and M/E	9,760,893	9,758,138						2,755
16 Food Supplies	2,149,840	2,083,782						66,058
17 Medical and Dental Supplies	7,073,811	6,665,905						411,845
18 Ammunition and Bombs	1,225,625	1,209,625						15,977
19 Barracks, Hospital, Camp and Miscel- laneous Stores	941,225	941,225						
	6,507,510	6,384,047						123,469

DEFENCE EXPENDITURE

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13 Acquisition and Construction of Buildings and Works Including Acquisition of Land and Purchase of Real Properties (Land and Buildings).....	678,667	743,461	7,390,293	1,035,272	18,343,841	678,667		
Construction—Major Contract Projects.....	27,512,867							
Construction—Day Labour and Minor Contract Projects.....	5,424,314	358,484	3,662,157	1,318,512		85,161		
14 Repair and Upkeep of Buildings and Works including Land.....	11,771,684	3,636,993	7,914,844					219,247
15 Rentals of Land, Buildings and Works.....	481,649							
16 Major Procurement of Equipment—M.E. including Transport.....	12,581,276		12,581,276					19,177
Armament Equipment.....	1,434,303		1,415,126					28,269
Signal and Wireless Equipment.....	1,490,931		1,462,562					25,563
Special Training Equipment.....	114,628		89,065					
17 Repair and Upkeep of Equipment—Spare Parts for Tanks and A.F.V.'s.....	1,960,090		1,960,090					
Repairs and Spare Parts for M.E. including Transport.....	4,745,324		4,467,351					278,173
19 Municipal and Public Utility Services.....	2,384,998		2,180,486					204,512
20 Contributions, Grants, Subsidies, etc., not included elsewhere.....	2,111,723	2,111,650						64
21 Pensions: Superannuation and other Benefits for Personnel Services.....	989,495	989,495						
22 All other Expenditures—Education of Dependent Children.....	188,336	188,336						
Laundry and Dry Cleaning.....	215,716	215,716	470,728					87
Expenditures not elsewhere provided.....	470,728	492,891						
Totals.....	211,779,076	108,820,641	77,326,134	2,469,204	18,343,841	678,667	85,161	1,411,671

Other Government Departments—
04 Veterans Affairs 09.11—King's Printer
06 Canadian Maritime Commission.....

NOTE: The above analysis is intended to provide an approximation of the distribution of expenditures by procurement agencies. The amounts shown in some instances are estimates and have not been obtained by a detailed examination of all invoices.

DEPARTMENT OF NATIONAL DEFENCE
SUMMARY OF EXPENDITURES 1950-51 AND 1951-52 (1 APRIL-31 OCTOBER, 1951)
ARMY-1951-52 (1 APRIL-31 OCT.)

APPENDIX I (Cont.)

	Expenditures 1 April- 31 October 1951	ANALYSIS OF EXPENDITURES						
		DND	DDP	DCL	CMHC	Transport	Public Works	Other Govt. Depts.
01 Civil Salaries and Wages.....	14,280,206	14,280,206						
02 Civilian Allowances.....	229,219	229,219						
03 Pay and Allowances.....	51,374,184	51,374,184						
04 Professional and Special Services:-								
Corps of Commissionaires.....	263,261	263,261						
Professional Fees-Architects, Engineers, Land Valuation and Legal.....	386,707			386,707				
Medical and Dental Consultants and Special Services.....	242,746	242,746						
Fees for special Courses.....	22,349	22,349						
05 Travelling and Removal Expenses.....	6,289,512	6,137,359	151,193					960
06 Freight, Express and Cartage.....	4,496,047	3,865,057						941
07 Postage.....	121,225	121,225						
08 Telephones, Telegrams and other Communi- cation Services.....	505,043	392,399	111,224					
09 Printing of Departmental Reports and Other Publications.....	126,397							1,420
10 Films, Displays, Broadcasting, Advertising and other Informational Materials.....	821,297	798,938					126,397	
11 Office Stationery, Supplies, Equipment and Furnishings.....	1,004,618		18,693					22,350
12 Materials and Supplies:								8,580
Fuel and Heating, Cooking and Power Generating Units.....	1,929,444		1,928,807					
Clothing and Personal Equipment.....	15,241,379		15,220,881					637
Gasoline, Fuel Oil and Lubricants for Ships, A/C and M/E.....	1,131,104		1,094,647					20,498
Food Supplies.....	6,860,021		6,566,498					36,457
Medical and Dental Supplies.....	1,174,513		1,163,112					293,523
Ammunition and Bombs.....	3,365,824		3,365,824					11,401
Barrack, Hospital, Camp and Miscel- laneous Stores.....	9,138,641		8,938,166					200,475

DEFENCE EXPENDITURE

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13	Acquisition and Construction of Buildings and Works Including Acquisition of Land: Purchase of Real Properties (Land and Buildings)	598,357	490,397	2,592,339	10,275,149	4,442,605	585,482	12,875	
	Construction—Major Contract Projects	17,808,071						2,581	
	Construction—Day Labour and Minor Contract Projects	1,114,679	279,354	349,246	451,293			24,976	9,810
14	Repair and Upkeep of Buildings and Works including Land	11,397,213	5,405,727	5,858,608					132,878
15	Rentals of Land, Buildings and Works	217,520							
16	Major Procurement of Equipment: Mechanical Engineering including Transport	3,640,326		3,640,326					
	Armament Equipment	10,483,462		16,467,421					16,041
	Signal and Wireless Equipment	1,649,662		1,623,271					26,391
	Special Training Equipment	94,844		70,063					24,751
17	Repair and Upkeep of Equipment: Spare Parts for Tanks and A.F.V.'s	1,111,248		1,111,248					
	Repairs and Spare Parts for Mechanical Engineering including Transport	4,323,303		4,101,652					
	Repair by Contract	1,789,327		1,563,841					221,651
19	Municipal and Public Utility Services	1,035,600	1,035,550						225,486
20	Contributions, Grants, Subsidies, etc., not included elsewhere	81,293	81,293						50
21	Pensions, Superannuation and other Benefits for Personal Services	171,285	171,285						
22	All other Expenditures: Education of Dependent children	97,317	97,317						98
	Laundry and Dry Cleaning	222,031		221,933					55
34	Expenditures not elsewhere provided	538,666	538,631						
	Miscellaneous Recoverables and Imprest Advances	89,629	80,629						
	Other Government Departments—Suspense	63,611	63,611						
	TOTALS	181,519,201	86,190,257	76,159,023	11,113,149	4,442,605	585,482	40,432	1,254,462

Other Government Departments—
05 Canadian Maritime Commission 09-11—Kings Printer.

NOTE: The above analysis is intended to provide an approximation of the distribution of expenditures by procurement agencies. The amounts shown in some instances are estimates and have not been obtained by a detailed examination of all invoices.

DEPARTMENT OF NATIONAL DEFENCE
SUMMARY OF EXPENDITURES 1950-51 AND 1951-52 (1 APRIL-31 OCTOBER, 1951)
All Funds-1950-51

SPECIAL COMMITTEE

ANALYSIS OF EXPENDITURES							
	Expendi- ture 1950-51	DND	DDP	DCL	CMHC	DOT	Local Procure- ment
	\$	\$	\$	\$	\$	\$	\$
01 Civil Salaries and Wages.....	9,870,325	9,704,926					
02 Civilian Allowances.....	44,218,474	44,218,474				165,399	
03 Pay and Allowances.....							
04 Professional and Special Services— Corps of Commissionaires.....	44,296	44,296					
Professional Fees—Architects, Engineers, Land Valuation and Legal.....	926,437	500,281					
Medical and Dental Consultants and Special Services.....	676,341	304,423		422,502		3,654	371,918
Fees for Special Courses.....	266,470	263,526					2,944
05 Travelling and Removal Expenses.....	7,199,459	7,189,374				10,085	
06 Freight, Express and Cartage.....	1,728,904	1,728,531				373	
07 Postage.....	82,865						82,865
08 Telephones, Telegrams and other Communication Services.....	740,018	380,848				29,257	329,913
09 Printing of Departmental Reports and Other Publications(e).....	568,722	568,722					
10 Films, Displays, Broadcasting, Advertising and other Information Materials (e).....	648,457	558,932					89,505
11 Office Stationery, Supplies, Equipment and Furnishings (e).....	619,574	376,372	238,060			4,126	3,026
12 Materials and Supplies— Fuel for Heating, Cooking and Power Generating Units.....	3,627,096		3,627,096				
Clothing and Personnel Equipment.....	5,184,091		4,978,491				205,600
Gasoline, Fuel Oil and Lubricants, for Ships, A/C and M/F.....	6,255,589		5,454,701				800,888
Food Supplies.....	3,148,806	2,791,419					357,387
Miscellaneous Materials and Supplies.....	2,553,718		1,598,295			17,825	937,598
Medical and Dental Supplies.....	365,437	331,905					489
Ammunition and Bombs.....	1,598,037		1,597,548				
Barracks, Hospital, Camp and Miscellaneous Stores.....	2,601,014		2,320,868				180,146
13 Acquisition and Construction of Buildings and Works Including Acqui- sition of Land: Purchase of Real Properties (Land and Buildings).....	1,093,741			11,231,543	25,431,915	1,063,741	
Construction—Major Contract Projects.....	36,736,416					92,958	
Construction—Day Labour and Minor Contract Projects.....	3,661,205		3,588,486				72,719
14 Repair and Upkeep of Buildings and Works including Land.....	6,346,500		3,184,014				3,161,946
15 Rentals of Land, Buildings and Works.....	339,362	268				48,142	290,952

DEFENCE EXPENDITURE

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16 Major Procurement of Equipment—									
Aircraft and Engines.....	56,443,237	56,443,237							5,781
Mechanical Equipment including Transport.....	1,722,959	1,722,959							61,552
Armament Equipment.....	243,615	243,615							2,193
Signal and Wireless Equipment.....	10,164,848	10,164,848							38,409
Special Training Equipment.....	192,652	191,489							
Miscellaneous Equipment.....	2,017,394	1,978,795							
17 Repair and Upkeep of Equipment									1,199,354
Repair and Spare Parts for Mechanical Equipment including									169,775
Transport.....	1,314,563	114,979							
Miscellaneous Repairs.....	15,537,224	15,387,449							
Overhaul of Aircraft including Spares.....	8,938	8,938							
18 Rentals of Equipment.....	1,338,832	154,968							1,183,864
19 Municipal and Public Utility Services.....	30,795								15,963
20 Contributions, Grants, Subsidies, etc., not included elsewhere.....	87,233	23,832							
21 Pensions, Superannuation and other Benefits for Personal Services.....	87,233	87,233							
22 All other Expenditures—									
Education of Dependent Children.....	178,123	24,206							133,917
Laundry and Dry Cleaning.....	171,556	11,831							159,725
Expenditures not elsewhere provided.....	110,170	44,400							65,770
Totals.....	230,553,393	68,736,934	113,350,340	11,654,045	25,431,915	1,435,560			9,944,399
									(6)

NOTE: The above analysis is intended to provide an approximation of the distribution of expenditures by procurement agencies. The amounts shown in some instances are estimates and have not been obtained by detailed examination of all invoices.

NOTE: (a) Normally procured through King's Printer.
(b) Includes Local Purchases direct from the trade as well as requisitions on local DDP offices and locally hired day labour on maintenance projects.

APPENDIX I (Cont.)

DEPARTMENT OF NATIONAL DEFENCE
SUMMARY OF EXPENDITURES 1950-51 AND 1951-52 (1 APRIL-31 OCTOBER, 1951)
AIR FORCE-1951-52 (1 APRIL-31 OCT.)

	Expenditures 1 Apr/51- 31 Oct/51	ANALYSIS OF EXPENDITURE					
		DND	DNP	DCL	CMHC	DOT	Local Procure- ment
01 Civil Salaries and Wages.....	7,165,431	7,055,470				109,961	
02 Civilian Allowances.....	74,577	74,577					
03 Pay and Allowances.....	36,473,423	36,473,323					
04 Professional and Special Services:							100
Corps of Commissionaires.....	45,164	42,784					2,380
Professional Fees—Architects, Engineers, Land Valuation and Legal.....	1,375,870	8,296		1,364,184			3,390
Medical and Dental Consultants and Special Services.....	231,960	12,065					219,925
Fees for Special Courses.....	235,070	233,287					1,783
05 Travelling and Removal Expenses.....	5,626,754	5,623,193				2,773	788
06 Freight, Express and Cartage.....	1,388,977	1,370,027				3,420	15,630
07 Postage.....	65,722						65,722
08 Telephone, Telegrams and other Communication Services.....	422,702	140	190,458			9,215	222,889
09 Printing of Departmental Reports and other Publications..... (a)	55,023	53,137					1,886
10 Films, Displays, Broadcasting, Advertising and other Information Materials.....	525,648	451,661					73,987
11 Office Stationery, Supplies, Equipment and Furnishings..... (a)	661,199	344,261	274,874			1,275	40,789
12 Materials and Supplies—							
Fuel for Heating, Cooking and Power Generating Units.....	1,442,232		1,421,445				20,787
Clothing and Personal Equipment.....	5,909,566	70,204	5,699,976				139,386
Gasoline, Fuel Oil and Lubricants for Ships, A/C and M.E.....	3,398,873		2,972,514				426,359
Food Supplies.....	1,281,912	1,109,075					172,837
Miscellaneous Materials and Supplies.....	2,409,750	34,807	1,655,593			6,899	712,451
Medical and Dental Supplies.....	448,822	400,000	37,379				11,443
Ammunition and Bombs.....	818,334	66,770	751,281				283
Barrack, Hospital, Camp and Miscellaneous Stores.....	2,348,730	772	2,012,208				335,750
13 Acquisition and Construction of Buildings and Works including Acquisition of Land—							
Purchase of Real Properties (Land and Buildings).....	859,215	220,290				638,578	347
Construction—Major Contract Projects.....	43,903,810		1,021,053	31,443,226	8,213,788	2,325,743	
Construction—Day Labour and Minor Contract Projects.....	404,094	161,705	242,556				433
14 Repair and Upkeep of Buildings and Works including Land.....	7,434,913		7,427,920				6,993
15 Rentals of Land, Buildings and Works.....	111,584	110,170					1,414

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97377-5							
16	Major Procurement of Equipment—						
	Aircraft and Engines	122,120,684	4,447,634	117,692,468			10,882
	Mechanical Engineering including Transport	1,604,188	72,219	1,785,782			66,117
	Armament Equipment	222,244	42,942	179,086			7,516
	Signals and Wireless Equipment	6,367,333	71,604	6,338,223			57,366
	Special Training Equipment	122,126	6,138	113,660			2,328
	Miscellaneous Equipment	2,949,807	78,033	2,510,862			360,890
17	Repair and Upkeep of Equipment—						
	Repair and Spare Parts for Mechanical Equipment including Transport	798,066	670	127,206			670,210
	Overhaul of Aircraft including Spares	19,173,697	199,944	18,969,025			64,138
	Miscellaneous Repairs	2,462,249	3,032	2,398,900			58,297
18	Rentals of Equipment	802,749	771,335				31,394
19	Municipal and Public Utility Services	31,221	19,412				4
20	Contributions, Grants, Subsidies, etc., not included elsewhere	70,024	70,020				
21	Pensions, Superannuation and other Benefits for Personal Services						
22	All Other Expenditures—	154,174	63,467	77,677			13,630
	Education of Dependents Children	102,248					102,248
	Laundry and Dry Cleaning	264,700	404,507				190,133
	Expenditures not elsewhere provided	80,839	80,839				
	Adjustment—Miscellaneous and other Governments Recoverable						
	Totals	283,116,774	60,233,092	174,650,086	32,897,410	8,213,788	3,097,894
		(c)					(b)

Notes: (a) Normally procured through King's Printer.

(b) Includes local purchases direct from the trade as well as requisitions on local DDIP offices (Local allotments only).

(c) Expenditure total includes accountable advances.

Note: The above analysis is intended to provide an approximation of the distribution of expenditures by procurement agencies. The amounts shown in some instances are estimates and have not been obtained by a detailed examination of all invoices.

Note: Above expenditures include accumulated charges re NATO Air Training which are properly chargeable to the Special NATO Appropriation (Parliamentary Vote S 240). These charges to Oct. 31/51 amount to \$21,640,775.

APPENDIX I (Cont.)

DEPARTMENT OF NATIONAL DEFENCE

SUMMARY OF EXPENDITURES 1950-51 AND 1951-52 (1 APRIL-31 OCTOBER, 1951)

DEFENCE RESEARCH BOARD-1950-51

	Expenditures 1950-51	Expenditures Analysed by Procurement Agency						Local Procurement
		DND	DDP	CMHC	NRC	OGD'S		
01 Civil Salaries and Wages.....	\$ 3,744,927	\$ 3,739,334		\$	\$	\$ 14,593	\$	
02 Civilian Allowances.....	48,983	48,983						
03 Pay and Allowances.....	75,891	75,891						
04 Professional and Special Services.....	131,016	15,279	107,560				8,177	
05 Travelling and Removal Expenses.....	328,692	308,746	19,856					
06 Freight, Express and Cartage.....	42,615	42,615						
07 Postage.....	2,291	2,291						
08 Telephones, Telegrams and other Communication Services.....	2,291	2,291						
09 Printing of Departmental Reports and other Publications.....	30,793	23,990	3,002			3,771		
10 Films, Displays, Broadcasting, Advertising and other Information Materials.....	67,039					67,039		
11 Office Stationery, Supplies, Equipment and Furnishings.....	7,121					7,121		
12 Materials and Supplies.....	105,082	26,534	671,085		35,200	105,082		
13 Acquisition and Construction of Buildings and Works including Acquisition of Land.....	1,063,587					83	330,585	
14 Repair and Upkeep of Buildings and Works including Land.....	2,109,264	344,090	1,104,725	552,466			107,983	
15 Rentals of Land, Buildings and Works.....	302,680	114,461	84,398				103,821	
16 Major Procurement of Equipment.....	11,506	11,596						
17 Repair and Upkeep of Equipment.....	11,631,965	51,287	11,194,841		76,280		308,957	
18 Rentals of Equipment.....	324,899	61,248	200,408				63,243	
19 Municipal and Public Utility Services.....								
20 Contributions, Grants, Subsidies, etc., not including elsewhere.....	27,255	10,288	8,720		7,184		1,063	
21 Pensions, Superannuation and other Benefits for Personal Services.....	1,345,453	1,345,453						
22 All other Expenditures.....	43,368	43,368						
89 Communications Research.....	1,045,367	104,074	628,204		27,978	275,565	7,516	
	927,555	149,658	750,861			28,960	1,076	
Totals.....	23,415,329	6,510,166	14,773,690	552,466	146,742	490,844	932,421	

Note: The above analysis is intended to provide an approximation of the distribution of expenditures by procurement agencies. The amounts shown in some instances are estimates and have not been obtained by a detailed examination of all invoices.

APPENDIX I (Cont.)

DEPARTMENT OF NATIONAL DEFENCE

SUMMARY OF EXPENDITURES 1950-51 AND 1951-52 (1 APRIL-31 OCTOBER, 1951)

DEFENCE RESEARCH BOARD-1951-52 (1 APRIL-31 OCT.)

DEFENCE EXPENDITURE

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	Expendi- tures 1 April- 31 October, 1951	ANALYSIS OF EXPENDITURES							Local Pro- curement
		DND	DDP	DCL	CMHC	DOT	NRC	OGD	
01 Civil Salaries and Wages.....	2,970,611	2,965,330				5,281		412	
02 Civilian Allowances.....	37,024	36,022							
03 Pay and Allowances.....	41,735	41,735							
04 Professional and Special Services.....	140,289	15,090	125,229						
05 Travelling and Removal Expenses.....	275,045	219,082	55,181			182			
06 Freight, Express and Cartage.....	13,826	13,826							
07 Postage.....	1,793	1,793							
08 Telephones, Telegrams and other Commu- nication Services.....	25,753	24,474				1,279			
09 Printing of Departmental Reports and other Publications.....	27,035	26,997					38		
10 Films, Displays, Broadcasting, Advertising and other information materials.....	14,095	14,095							
11 Office Stationery, Supplies, Equipment and Furnishings.....	68,240	64,828	209,064				20,362	3,412	367,775
12 Materials and Supplies.....	609,093	5,477						6,425	
13 Acquisition and Construction of Buildings and Works Including Acquisition of Land.....	1,438,909	8,549	39,701	1,092,244	193,395				105,020
14 Repair and Upkeep of Buildings and Works including Land.....	97,099	47,141	23,279						27,249
15 Rentals of Land, Buildings and Works.....	4,042	1,482							2,560
16 Major Procurement of Equipment.....	6,396,888	29,828	6,122,963						154,097
17 Repair and Upkeep of Equipment.....	92,072	684	10						91,388
18 Rentals of Equipment.....	11,258	5,327	5,286						625
19 Municipal and Public Utility Services Contributions, Grants, Subsidies, etc., not included elsewhere.....	692,908	642,908					50,000		
21 Pensions, Superannuation and other Benefits for Personal Services.....	14,794	14,794	247,144			160	18,031	28,567	508
22 All other Expenditures.....	312,752	17,742	531,933						550
89 Communications Research.....	602,987	70,504							
TOTALS.....	13,858,728	4,268,878	7,294,561	1,217,473	193,395	6,902	88,031	38,816	749,772

NOTE: The above analysis is intended to provide an approximation of the distribution of expenditures by procurement agencies. The amounts shown in some instances are estimates and have not been obtained by a detailed examination of all invoices.

DEPARTMENT OF NATIONAL DEFENCE

SUMMARY OF EXPENDITURES 1950-51 AND 1951-52 (1 APRIL-31 OCTOBER, 1951)

DEPARTMENTAL ADMINISTRATION-1950-51

	Expenditures 1950-51	ANALYSIS OF EXPENDITURES		
		DND	DDP	Local Procurement
	\$	\$	\$	\$
01 Civil Salaries and Wages.....	2,141,970	2,141,970		
02 Civilian Allowances.....	620	620		
04 Professional and Special Services-- Professional Fees--Architects, Engineers, Land Valuation and Legal.....	5,029	5,029		
05 Travelling and Removal Expenses.....	262,448	262,448		
06 Freight, Express and Cartage.....	1,967	1,967		
07 Postage.....	24,926	24,926		
08 Telephones, Telegrams and other Communication Services.....	23,991	23,991		
09 Printing of Departmental Reports and other Publications.....	63,586	63,586		
11 Office Stationery, Supplies, Equipment and Fur- nishings.....	72,090	72,090		
12 Materials and Supplies-- Fuel for Heating, Cooking and Power Gener- ating Units.....	3,149			3,149
Gasoline, Fuel Oil and Lubricants for Ships, A/C and M/E.....	1,905			1,905
Miscellaneous Materials and Supplies.....	40,213		40,213	
14 Repair and Upkeep of Buildings and Works includ- ing Land.....	65,405	94	64,043	1,268
16 Major Procurement of Equipment-- M.E. Equipment including Transport.....	8,114		8,114	
Miscellaneous Equipment.....	46,384		46,384	
17 Repair and Upkeep of Equipment-- Repairs and Spare Parts for M.E. Equip- ment including Transport.....	294			294
19 Municipal and Public Utility Services.....	2,251	2,251		
21 Pensions, Superannuation and other Benefits for Personal Services.....	4,584	4,584		
22 All other Expenditures-- Expenditures not elsewhere provided.....	215,535	215,535		
Imperial War Graves Commission.....	466,099	466,099		
Totals.....	3,450,560	3,285,190	158,754	6,616

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DEPARTMENT OF NATIONAL DEFENCE

APPENDIX I (Cont.)

SUMMARY OF EXPENDITURES 1950-51 AND 1951-52 (1 APRIL-31 OCTOBER, 1951)

DEPARTMENTAL ADMINISTRATION 1951-52 (1 April-31 October)

	Expenditures 1st April to 31st Oct. 1951	ANALYSIS OF EXPENDITURES		
		DND	DDP	Local Procurement
	\$	\$	\$	\$
01 Civil Salaries and Wages.....	1,939,265	1,939,265		
04 Professional and Special Services— Professional Fees—Architects, Engineers, Land Valuation and Legal.....	74,086		74,086	
05 Travelling and Removal Expenses.....	257,466	257,466		
06 Freight, Express and Cartage.....	1,603	1,603		
07 Postage.....	28,601	28,601		
08 Telephones, Telegrams and other Communication Services.....	15,318	15,318		
09 Printing of Departmental Reports and Other Publications.....	32,468	32,468		
11 Office Stationery, Supplies, Equipment and Furnishings.....	54,496	54,496		
12 Materials and Supplies— Miscellaneous Materials and Supplies.....	25,542		25,542	
14 Repair and Upkeep of Buildings and Works including Land.....	18,068		18,068	
15 Rentals of Land, Buildings and Works.....	472	472		
16 Major Procurement of Equipment— Miscellaneous Equipment.....	66,914		66,914	
17 Repair and Upkeep of Equipment— Repairs and Spare Parts for Mechanical Equipment including Transport.....	48			48
18 Rentals of Equipment.....	3	3		
19 Municipal and Public Utility Services.....	910	910		
20 Contributions, Grants, Subsidies, etc., not in- cluded elsewhere.....				
21 Pensions, Superannuation and other Benefits for Personal Services.....	5,710	5,710		
22 All other Expenditures Expenditures not elsewhere provided.....	32,537	32,537		
Miscellaneous Recoverables.....	5,887	5,887		
	2,559,394	2,374,736	184,610	48

APPENDIX J

Statement covering:

1. The cost of training, equipping and maintaining the 25th Brigade now in Korea;
2. The cost of RCAF participation in Korea airlift; and
3. The cost to the Navy of its participation in Korean naval operations.

COST OF 25 CANADIAN INFANTRY BRIGADE

*Requested by Mr. Macdonnell*1. *Pay and Allowances*

Total Pay and Allowances of 25 Infantry Brigade, all ranks on Brigade strength, to 30 November, 1951 amounts to \$17,364,714:

Fiscal Year 1950-51	\$ 8,479,033
Fiscal Year 1951-52 (8 months)	8,885,681
Total	\$17,364,714

2. *Maintenance Support at Fort Lewis, WN. And Transportation Inward to Fort Lewis*

- (a) Charges by United States Army for maintenance support provided the Canadian Army at Fort Lewis amount to \$2,655,753.46 (\$2,519,883.78 U.S. funds), made up as follows:

Food supplies	\$1,171,986.17
Repair and upkeep of buildings	162,152.10
Fuel—heating, cooking, operation of mechanical equipment including transport; lubricants	438,307.27
Barrack, hospital, camp and miscellaneous equipment and stores	125,230.64
Laundry and dry cleaning; clothing maintenance	113,247.37
Equipment maintenance—spare parts and contract repair	216,022.90
Medical supplies and services	289,973.72
Miscellaneous—communication services, training ammunition	138,833.29
Total	\$2,655,753.46

- (b) Transportation to Fort Lewis from training establishment in Canada initial move only (return from embarkation leave destination point not included) amounts to \$798,420.

- (c) Total—United States Army support and initial move to Fort Lewis

(i) United States Army support	\$2,655,753.46
(ii) Initial move to Fort Lewis	798,420.00
Total	\$3,454,173.46

3. *Expenditure to Complete Equipment 25 Canadian Infantry Brigade (purchases only, items drawn from stocks NOT included).*

Mechanical equipment—weapon carriers, trucks crawler tractors, trailers, water supply sets, mechanical refrigerator units mobile bath units	\$ Canadian 8,567,068
Armament—mortars, rocket launchers, flame throwers	242,863
Tanks	3,045,000
Signals equipment	442,884
Field ranges, cooking outfits, inflammable drums, gas bottles	112,868

DEFENCE EXPENDITURE

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Clothing—socks, field trousers	495,020
Office equipment and appliances	89,898
Medical equipment and supplies	45,646
Demolition stores, mines and flares	15,333
Total	\$13,056,580

4. *Costs of 25 Canadian Infantry Brigade in Korea and Japan*
To November 30, 1951

		\$ Canadian
Pay and Allowances		9,086,697
Maintenance Support*		
Civil Salaries and Wages	24,500	
Food supplies	2,915,911	
Fuel—for heating cooking, operation of power generators, mechanical equip- ment including transport; lubricants ...	423,523	
Barrack, camp, hospital and miscellaneous equipment and stores	1,296,412	
Laundry and dry cleaning	162,074	
Maintenance of clothing and personal equipment	3,168,991	
Ammunition and bombs	11,253,476	
Maintenance of mechanical equipment— spare parts, contract repair	5,566,400	
Medical and dental services and supplies ...	2,227,032	
Armament maintenance	538,259	
Signal and wireless equipment maintenance	153,587	
Communication services—telegraph, etc. ...	31,700	
Miscellaneous labour hire	17,000	
Maintenance and repair of buildings	20,237	
Freight, express and cartage‡	1,564,900	
Office supplies, equipment	300,500	29,644,506
Total		38,751,203

* Comprises cost of all supplies and stores received in Far East, including items of Canadian, United States, United Kingdom and Australian origin.

‡ Refers to charges covering maintenance support not included in main ocean movement referred to in paragraph 5 below.

5. *Cost of Trans-Pacific Surface Transportation*^Ø

(a) Personnel—westbound	1,711,522	
—eastbound	70,153	1,781,675
(b) Freight—ocean transportation	1,444,032	
Port handling—stevedoring, port switching port proofing of cargo	237,860	1,681,892
Total		3,463,567

^Ø Cost to December 1, 1951 for all service performed by United States Military Sea Transport Service and includes costs of charter and operation of the freighters put into the United States Military Sea Transport Service shipping pool.

ESTIMATED COST OF KOREAN AIRLIFT FOR PERIOD ENDED 31 OCT. 51

(1) Pay and Allowances	\$1,603,651
(2) Travelling Expenses	269,204
(3) Accommodation, rations, station services	475,829
(4) Freight and Express	23,156
(5) Miscellaneous local procurement	36,138
(6) Aero gas and oil	831,883
(7) Overhaul and Maintenance of aircraft	1,210,255
(8) Chartered Airlift	
Canadian Pacific Airlines	4,501,218
Total	\$8,951,334

BASIS OF CALCULATIONS

Pay and Allowances

Actual expenditure for pay and allowances for the period 426 Squadron was based at Tacoma, August 1950—June 1951.

Estimated cost of pay and allowances for the balance of the period because actual expenditures constitute a part of those of Station Lachine. The estimated monthly cost is lower than the actual at Tacoma because the squadron is carrying out other commitments and the number of aircraft assigned to the Korean Airlift has been reduced.

Travelling Expenses

Actual expenditures for the period 426 Squadron was based at Tacoma. Estimated cost for balance of the period calculated as for item 1.

Accommodation, Rations Station Services

Actual expenditures for the period 426 Squadron was based at Tacoma made in accordance with the per capita rate negotiated with the U.S.A.F. For the balance of the period the cost of rations for squadron personnel has been included.

Freight and Express

Actual expenditures for the period the squadron was based at Tacoma.

Miscellaneous Local Procurement

Actual expenditures as recorded by the Chief Treasury Officer, Department of National Defence.

Aero Gas and Oil

Actual expenditures are included for the period ended 31 Mar. '51 during which aero gas and oil was purchased from the U.S.A.F. For the balance of the period the cost is estimated for the actual flying hours at the rate of consumption during the period of direct purchase.

Overhaul and Maintenance of Aircraft

Estimated cost based on indices of overhaul and maintenance costs per flying hour, for the types of aircraft in use. Indices were prepared from statistics over a period of time and in accordance with formulae produced by U.S. commercial airlines and the Department of Transport.

Chartered Airlift—Canadian Pacific Airlines

This amount represents expenditures made on the airlift contract with Canadian Pacific Airlines which was authorized by Orders in Council.

DEFENCE EXPENDITURE

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COST OF NAVY OPERATIONS IN KOREAN WATERS TO 31 OCTOBER, 1951

Pay and Allowances of Officers and Men	2,841,792
Food	799,364
Fuel Oil	1,221,372
Ammunition	1,200,000
Repairs and Refits of Ships	541,517
Stores	33,577
Clothing	2,181
	<hr/>
	\$6,639,803

The above figures cover the operation of the following destroyers:

Ship	From	To	Officers	Men
<i>Cayuga</i>	5 July 1950	7 April 1951	14	265
	19 June 1951	31 Oct. 1951	14	243
<i>Athabaskan</i>	5 July 1951	17 May 1951	15	259
	2 Aug. 1951	31 Oct. 1951	15	254
<i>Sioux</i>	5 July 1950	4 Feb. 1951	15	237
	8 April 1951	31 Oct. 1951	15	227
<i>Nootka</i>	25 Nov. 1950	21 Aug. 1951	15	248
<i>Huron</i>	22 Jan. 1951	21 Sept. 1951	16	248

Pay and Allowances are based on actual pay and allowances for officers and men on each Destroyer from the time ship left Esquimalt until she returned to home port.

Food is based on cost of feeding in Korean operational zone at \$1.75 per day.

Repairs and maintenance covers cost of repairs and refit of various destroyers on return from Korean operation.

Fuel covers cost of fuel to September 30, 1951 and is based on actual consumption of the various destroyers to that date.

Ammunition is based on consumption reports to May, 1951 and estimated consumption to October 31, 1951 based on available information.

Clothing and Stores represent items purchased by ships during operation and does not include items issued from stores while ships are in home ports.

APPENDIX K

COST OF TRAINING, EQUIPPING AND MAINTAINING 27TH CANADIAN
INFANTRY BRIGADE TO 30 NOVEMBER, 1951

1.	<i>Pay and Allowances, to 30 Nov. 51</i>	
	Total for all ranks on strength of Brigade (replacements not included) from date of organization to 30 Nov. 51	\$ 4,889,375
2.	<i>Cost of Occupation Valcartier Camp</i>	
	Rehabilitation and repair of wartime construction, to make ready for occupancy	1,020,020
	Additional fuel for heating and cooking	36,400
	Additional public services	18,200
	Civil salaries and wages, extra employment	42,885
	Gasoline, fuel oil expenses, operation of mechanical equipment including transport	91,020
	Food supplies and catering	505,824
	Total	\$ 1,714,349
3.	<i>Expenditures to Complete Equipment and Stores</i> (items drawn from stock not included)	
	Vehicles—jeeps, trucks	835,388
	Tanks	248,900
	Weapons	7,500
	Signal equipment	258,323
	Ammunition—U.S. natures	1,009,342
	Medical equipment and supplies	23,046
	Office appliances and equipment	56,075
	Clothing	187,264
	Total	\$ 2,625,838
4.	<i>Transportation Charges</i>	
	Expenditures in Canada (include expenditures respecting replacement elements as not available separately)	
	Travelling and Removal Expenses	1,151,776
	Freight, Express and Cartage	916,543
		2,068,319
	Ocean Transportation	
	Personnel	445,235
	Freight	1,032,344
		1,477,579
	Total	\$ 3,545,898