

on loan. That rule, of course, has not been observed; I have a list, which was obtained from the proper source, of many of these applications for loans. What I put to the minister is this, that there should be no favouritism with respect to these matters.

Mr. MACKENZIE (Vancouver): Hear, hear.

Mr. BENNETT: For instance, there is an issue of swords under loan. The rule is very, very severe; in fact, as I read it, it is almost prohibitive. There are tents loaned at times, as well as other supplies of the department. I should like the minister to satisfy himself personally as to the impartiality that is exercised in connection with these matters. The second point I desire to raise is much more serious. It has to do with whether or not we should have the private manufacture of arms in this country. The real truth is that the papers brought down, dealing with an agreement in connection with the manufacture of Bren guns, contemplates a profit of ten per cent.

Mr. MACKENZIE (Vancouver): No. That is the outside limit, but it actually works out much less.

Mr. BENNETT: I should say they contemplate a possible profit of ten per cent. Time after time we have had discussions with respect to that matter; articles and indeed volumes have been written as to the evil effects of this practice upon the general life of the country. Yet we have made a bargain with a private enterprise, through a man untrained in this particular job, who has nothing to do with manufacturing, who has taken the old, second hand machinery of the John Inglis Company, which everyone in Toronto knows is obsolete, and to that we have added about \$250,000 worth of our own machinery. I think that is the estimated value of it. That we have given freely, because it is intended that it will reduce the unit cost of what we are doing; and we have given an order for these Bren guns and secured an order from Great Britain. This could be justified if the effect of it has been to enable another member of the commonwealth to secure supplies that otherwise might not have been made available rapidly and satisfactorily; but in the meantime we have to build up the unit that produces them, and that unit is being built up of old, second hand, obsolete machinery of the Inglis company in Toronto, plus our machinery which is now at least twenty-five years old, I think some of it much older. I

am not in any position to speak with authority with respect to machinery, but I do say that modern manufacturing is predicated upon the assumption that machinery of this kind is entirely obsolete, that long since its obsolescence has been such that it would be no longer regarded as satisfactory for the purpose.

Mr. MACKENZIE (Vancouver): I may say that the technical advice is to the contrary in regard to this particular machinery.

Mr. BENNETT: I understand that some people have advised that the heavy machinery, which is always useful and which never becomes obsolete until it is absolutely worn out and will not function at all, is acceptable; but that the manufacture of these arms, which is a matter of great precision, depends upon more modern machinery rather than upon old, obsolete machinery, either of this particular firm or of our own.

In that connection I think we should have some statement, because it does appear to me that we cannot justify private firms being created for the purpose of manufacturing arms unless we can give a valid reason for it concerning the interests of the country itself or of the commonwealth. It may be that it is desirable because of the large order that comes from Great Britain that we should embark upon this method of dealing with it. I should like to have the minister give as full a statement as possible as to just what were the operating causes. I am only saying that we have times without number declared against the theory of the private munition manufacturer being able to place himself in a position which permits him to influence public opinion in the manner that has been so strongly condemned, shall I say, in various parts of the world.

The third point has to do with the utilization of portions of this country for the purpose of training grounds for the training of aviators. There has been much discussion in the public press and in another place with respect to the matter. It is well known that in England there is a limitation on the training that can be carried out in connection with their aircraft, because of the density of population. That is, the limitation imposed upon them with respect to flying and training, because of the very dense population, render it essential that they should carry on their operations in some other part of the world. I believe Newfoundland was considered at one time; I believe other parts of the British Empire have been considered, and the information is that not a request but what is equivalent to it, namely an approach to this government, was made to ascertain whether or not