

Although the figure ultimately turned out to be \$2,880,000 it was not agreed to on that basis. It was agreed to on the basis of \$80,000 per month for three years, if contracts had not been placed, or had been cancelled, or had run out within that time. Then the only amount arranged would have been \$80,000 per month for the number of months that Sorel were actually in production. In the end it was the total figure of \$2,880,000.

By Mr. McGregor:

Q. That was for rent while they were in production?—A. It was as a device, as a method to be able to negotiate with Sorel on their production contract, the same way that we would negotiate with any other contractor who had not been in their unique position.

Q. That was rent of \$80,000 a month while they were in production?

By Mr. Harkness:

Q. No.—A. It was a payment of \$80,000 a month while they were in production for a maximum of three years.

By Mr. McGregor:

Q. How was this other amount made up? Was that made up as rent before they started manufacturing?—A. No. The amount that we have described is the proportion of the \$2,880,000 that was payable by the 3"/50 contract. The other contracts picked up the balance.

By Mr. Monteith:

Q. And these contracts really ran then from about 1950 on until 1955?—A. They are still on production.

Q. All those amounts have been absorbed? There will be no more of this type of payment?—A. No.

By Mr. Hamilton (Notre-Dame-de-Grâce):

Q. Would you say, Mr. Golden, that it was an unusual coincidence that the letter of intent issued in 1950 by the United States government to the Canadian Commercial Corporation establishing the proposed or estimated price of \$250,000 for these guns was so extremely close to the final price of these guns, which I think your sheet sets at \$249,498?—A. I have no personal knowledge of how this figure was arrived at in 1950. I do not believe that it was intended to be the ultimate figure that would be agreed to.

Q. No, but is it normal that over a five-year period, between the issuance of a letter of intent and the ultimate determination of the price that the two figures coincide to within a tiny fraction of 1 per cent?—A. I cannot answer that because I do not know of any similar circumstances that I can refer to.

Q. The Canadian government has issued other letters of intent?—A. Yes.

Q. Have you usually been as close as that between your original estimate and the final figure?—A. I do not think an estimate made five years before would normally be within 1 per cent, no.

Q. No. You see, that is one of the things about this which causes me some concern. I am wondering whether perhaps there is some question we have not asked which should have been asked to bring another aspect of this matter to light. You have much information at your disposal. You have been very generous in answering any questions which were asked by the committee, but it does seem to be most unusual—shall I say to be almost unbelievable—that in 1950 we entered into a discussion with the United States navy and the Canadian Commercial Corporation, and then the Canadian Commercial Corporation and Sorel Industries and we say we envision the production of 40 guns