

Mr. MCILRAITH: That is fine.

Mr. GOLDEN: It is possible.

Mr. HELLYER: I would like to ask a question, Mr. Chairman. In fact there are not comparable statistics for earlier years to those given today in respect of 1958-59 and the first half of 1960?

Mr. GOLDEN: That is correct.

Mr. HELLYER: So there is no way that anyone can tell on exactly a comparable basis whether the defence contracts in Canada for equipment in 1958-59, and the first half of 1960, are greater or lesser than they were in the previous years?

Mr. GOLDEN: I cannot, offhand, give any better answer than the quite complete summary that appears in *Hansard* for February 9, 1960.

Mr. HELLYER: The reason the question was asked, as you appreciate, is that a number of statements have been made to the effect that the amount of American purchases was substantially higher, and yet this seems rather difficult to substantiate, on the basis of the statistics.

The CHAIRMAN: Are there more types of Canadian manufacturers getting into this defence-sharing business than there were two years ago?

Mr. GOLDEN: Yes, sir.

The CHAIRMAN: And, therefore, outside of construction, or capital expenditure by the United States and Canada, in your estimation they are buying more defence hardware, et cetera, in Canada?

Mr. GOLDEN: A wider number of Canadian contractors are now doing work for the United States military services, yes, that is correct.

Mr. MCILRAITH: I have one supplementary question: of course, the terms "capital" and "construction"—you did not mean to have them used as synonymous terms?

Mr. GOLDEN: I do not think I used them.

Mr. MCILRAITH: The earlier question related to them. There may be capital items that are equipment?

Mr. GOLDEN: Quite so.

The CHAIRMAN: Are there any further questions on page 1?

Mr. WINCH: Mr. Chairman, I want to ask a question, and I want it understood that I am not doing it because I believe that we should be thinking strictly on a regional basis; but, coming from the west, I would like to ask the deputy minister what appears to be the difficulty in either getting co-operation or in allocating more defence work to western Canada? It is quite obvious that little goes there.

Mr. GOLDEN: If I can answer that question without straying on to policy considerations—which would be improper for me to discuss—most of the contracting in the Department of Defence Production is done either by competitive tender, where the product is capable of definition and there are a number of suppliers; or allocation and negotiation, where there is only one possible supplier.

There are one or two major exceptions to these two principles, one of which directly affects the west coast. As I understand it, it has been the policy of the government to allocate the construction of destroyer escorts, based on the requirement of maintaining a certain number of shipyards in being, and in those cases certain destroyer escorts were allocated to the west coast, the east coast, and the river yards.

But the vast majority of items, as distinct from dollar value, are let by competitive tender either through the district offices for the requirements