

Mr. FLYNN: Yes.

Senator SMITH (*Queens-Shelburne*): Do I take it from what you said that you consider the double depreciation allowance for one year to be a trifling amount? Perhaps it would not have any effect at all?

Mr. FLYNN: It would not be of any real significance. For example, if a plant costs \$1 million the depreciation allowed in the first year would normally be 20 per cent, which in this case would be \$200,000. By doubling that amount you get another \$200,000, but it is not really a significant amount.

Senator SMITH (*Queens-Shelburne*): Do you think this would be a difficult matter to work out technically? I am thinking of the effect of such a policy as this on established industries.

Mr. FLYNN: The ground rules were laid down by D.D.P. during the Korean crisis of 1950-51-52. I think industry got used to them and the Government knew how to administer them under the principles then set out. For the most part they involved essential defence requirements. It should not be difficult to frame a set of rules. The Government obviously thinks it can do it. In other words, the Government should be able to frame a set of rules that would operate to the best advantage of our economy.

Senator LAMBERT: What you are emphasizing is the continuation of the former Wartime Depreciation Board.

Mr. FLYNN: Of the Korean War.

Senator LAMBERT: But it was based on the former Wartime Depreciation Board.

Mr. FLYNN: Yes.

Senator LAMBERT: It is the same principle, a wartime measure.

Mr. FLYNN: Yes.

Senator BRUNT: Would you suggest that that be applied right across Canada, rather than to just the depressed areas?

Mr. FLYNN: I think it would be within the definition that the Government has already set out for industries in areas where there is continued unemployment. To aid the development of new industries for processing operations not hitherto carried on in Canada: I would say that could be applied anywhere in Canada. To encourage the production of new types of goods: I would say that could be applied anywhere in Canada. I do not think it involves any geographic limitation.

Senator LEONARD: The same rules would apply.

Mr. FLYNN: The same rules.

Senator CROLL: Mr. Chairman, I have two questions. Reference was made in the brief to the slogan "Buy Canadian". That slogan has been repeated in two or three of the briefs that have come before us, and I gather from reading them that there is a back-door complaint about the Government's attitude, and a front-door complaint about the peoples' attitude. What exactly are you trying to say? Are you suggesting that the Government, under the conditions as you lay them down, would seem to be eminently fair, in the matter of good value in relation to price, and that the Government should be given full effect where it can to "Buy Canadian".

Mr. NEEDLES: We have been very much pleased with the Government's attitude toward the "Buy Canadian" principle. It must be remembered that there is a difference in the Government's attitude toward the principle as opposed to the attitude of the user or consumer. The consumer has no other interest than quality and price; but the Government has an interest other than quality and price, because the price that they can afford to pay for Canadian manufactured goods must take into consideration all of the taxes that are