

## CANADIAN ASSOCIATION OF EQUIPMENT DISTRIBUTORS

*Personal*

13th June, 1960.

Mr. Alan Macnaughton, Q.C., M.P.,  
Chairman,  
Standing Committee on Public Accounts,  
Room 537-S, House of Commons,  
Ottawa, Ontario.

Dear Mr. Macnaughton:

I would like to thank you for the privilege extended to Representatives of this Association to appear at the Public Accounts Committee on Wednesday the 8th and stress our point of view in regard to the American Surpluses disposed of by Crown Assets and answer the questions submitted from the Honourable Members.

In my testimony I stressed the fact that the year of fabrication of equipment, as shown in Crown Assets' reports is not an exact criterion to determine the condition of the machines. Notwithstanding the fact that most of the equipment sold is six or seven years old and some of it slightly more, a substantial part of it has been used to a lesser extent than it would normally have been in two or three seasons if owned by a Contractor. The average age of Contractors' inventory of equipment is over five years and one could see at random on construction projects hundreds of shovels, truck-cranes, compressors, or road rollers that are twelve and fifteen years old.

In saying therefore that I have seen machines having less than three hundred hours on the hourmeter, I only wanted to illustrate my statement and impress upon the Committee the very relative importance of the year of fabrication.

I have also stated that some Canadian Manufacturers of construction equipment, far from having only assembly plants in which American components were assembled, produced equipment with 80% to 90% Canadian content, not counting the engines which are not manufactured in Canada.

The letter that was addressed to you by Mr. Hugh Crombie, Vice-President of Dominion Engineering, will attest that my statement was very conservative in referring to them because, excluding the engine they reach as high as 99% on certain models.

The value of a power unit for a  $\frac{3}{4}$  yard shovel, which I said was worth approximately \$5,000.00, could be purchased at the Manufacturers level at between \$3,500.00 and \$5,500.00, depending on the Manufacturer and the model used.

If I stress these points to you, it is because I was appearing on behalf of this Association and the Canadian Construction Association who had presented jointly a submission to the Honourable the Minister of Defence Production, which is reproduced in the Minutes of Proceedings and Evidence No. 9 of your Committee, dated June 1st, at page 259 and following. I also stated that this submission had been endorsed by MEMAC (Machinery and Equipment Manufacturers Association of Canada), by the Canadian Automobile Chamber of Commerce, by the Quebec Road Builders Association, the Office Equipment Dealers Associations, and it is therefore of importance that no part of my testimony be contradicted because it could instill doubt as to the exactness of the other facts which I stated.