

Q. Do we know of any cases where we have made— —A. We do not know of any, but it is possible that there may have been. Sometimes a unit price is quoted to you on a run where you might not be in a position to follow all of the factors which were taken into account in making up the price.

Q. So that if we were to examine each of our purchases in the United States we might find that it is quite possible that we have paid our share of expenditures such as the ones currently under discussion?—A. I know of no such cases, but it is possible.

*By Mr. Monteith:*

Q. Mr. Chairman, there is one figure that I am just not sure of in this first item, preproduction and learning, the total of \$1,525,000. That works out at roughly \$33,000 per mount. That is taking into consideration 46 mounts.

Now, this settlement with the contractor item, when I was discussing before this \$1,338,000, I think Mr. Golden mentioned that that came to about \$35,000 per mount. That does not figure out mathematically. I just wonder whether there were lesser amounts taken into consideration there or what?—A. \$35,074—it should be 1/46th of \$1,338,036.

Q. Well it is not.

I see your note here on this \$35,000 per mount says, "Portion of total settlement made with contractor to compensate for maintaining facility during period between 1945 and 1950." And then in brackets the words "(Apportioned over all Canadian contracts at the rate of \$80,000 per month for three years)".

So that that is apportioned a little differently than the other item. It is not taken on a straight 1/46th basis.

*By Mr. Applewhaite:*

Q. I would like to ask a question about this sheet of figures we have just had distributed. Pardon my use of the word, capital cost, but your heading here is, "Cost of setting up a facility—". You referred to similar expenditures by the United States in connection with the chrome plant and so on. Are they shown on this sheet?—A. No. If I used the term "similar" I am sorry because they are not similar expenditures. They are expenditures made by the United States government not shown on this sheet at all.

The CHAIRMAN: Would it be the pleasure of the committee to have this statement annexed to the reports of the proceedings for today?

Some Hon. MEMBERS: Agreed to.

The WITNESS: May I say something, Mr. Chairman? We have transposed some figures, not in the sheet, but in my statement. When I refer to preproduction and learning expenses as being \$1,525,428, it is there that the \$35,074 appears. On the third item it should be the \$33,158. But, I believe it is correct on the sheet which has just been distributed.

*By Mr. Monteith:*

Q. I do not think so. You have not transposed the \$1,525,000 and the \$1,338,000, have you? That is the figure that is transposed here.—A. Yes, I am sorry.

Q. In other words Sorel has been given an amount of \$1,525,428 as a settlement to cover their losses, presumably, in the period,—or some of their losses—from 1945 to 1950, at which time they were not entering into any contract with the department?—A. It is actually \$2,880,000 not \$1,500,000. It is actually \$2,880,000 of which \$1,500,000 is apportioned to the 3<sup>7</sup>/<sub>50</sub> contract, and the balance to the 1.5 and the 155 contracts.

Q. That figure then is actually— —A. \$2,880,000; or \$80,000 per month for three years.