

*War Appropriation Bill*

Mr. MacNICOL: A jobber?

Mr. HOWE: Handling machine tools. Mr. Belnap at one time was a partner in a firm in Montreal which dealt in machine tools. Later he became president and general manager of the Worthington Pump company of New York, one of the largest tool companies in the country.

Mr. HANSON (York-Sunbury): Absolutely.

Mr. HOWE: Is the hon. gentleman a shareholder?

Mr. HANSON (York-Sunbury): No, but I know the company.

Mr. HOWE: Mr. Thomas Arnold has dealt in machine tools most of his life. Mr. J. E. Johnson, president of the Canada Cement company, is one of the greatest users of machine tools, and Mr. Morrow is a man whose business judgment is respected throughout Canada. I know these men meet at least once a week, and I am told that on occasions they meet at least two or three times a week. I have great confidence in the work they have done in an exceedingly difficult field.

I might say that the machine tool problem is the bottle-neck of the war effort in England, Canada and the United States; and I believe the Citadel Merchandising Company Limited have obtained deliveries of machine tools for Canadian production which place us in a rather fortunate position as compared with either Great Britain or the United States.

Mr. MacNICOL: I am not saying there is anything wrong, nor am I casting any reflections upon any subsidiary of the government; but I should like to know if the condition I have described is possible. For the convenience of the minister I shall repeat what happened. A party inquired in the United States for a price on a large machine, a type with which I am thoroughly familiar. He could not buy it, although he had been quoted a price for which he could buy it. Apparently he had to buy it through some subsidiary company, or some company handling machinery for the government. On receiving the machine from the company he found it cost him more money. Is that possible? If the government has set up some company to act as a purchaser of machines, should a machine cost more when it is purchased through the government's company than if it were purchased direct from the manufacturer in the United States? I believe in this instance the person had to purchase it through the subsidiary of the government. In my judgment, the machine should not cost

[Mr. Howe.]

more to the Canadian purchaser if he purchased it through a government channel than if he purchased it direct from the manufacturer.

Is it possible that in this particular instance the machine could have cost the Canadian purchaser more than the price at which he could have bought it direct? I do not say that such a thing did take place; but the gentleman told me that that was what happened. He was not charging anybody at the time, but was just wondering what kind of business was being done.

Mr. HOWE: I think it is the duty of a member of parliament, if he hears a charge of that kind, to get particulars, supply them to the department and let us check up. I would say it is impossible that that could have happened.

Mr. MacNICOL: I am glad to hear that.

Mr. HOWE: I believe the Citadel company is securing tools economically, even in the type of market in which they have been buying in the last year.

Mr. HANSON (York-Sunbury): That was the intention of setting up the company, was it not?

Mr. HOWE: Yes, certainly. Obviously, we could not have private manufacturers going out and making their own transactions in connection with machine tools, when the government will own and pay for them. That would be quite impossible. We must have a central authority through which orders are placed, and which will take the responsibility of stamping with the government's stamp, and protecting the ownership in the tools. We believe the company is operated efficiently, but if anyone brings us evidence that it is not so operated, we shall be glad to examine the situation and see that it is straightened out.

I believe, however, that, instead of passing on rumours of that kind, it would be the duty of a member of parliament to get the particulars of such a transaction, and turn them in to the Department of Munitions and Supply. That is the only way of which I know whereby we could check transactions of that kind. I believe rumours should be stopped immediately by asking for the exact details.

Mr. MacNICOL: I am glad to get the minister's explanation. When the story was told to me, I asked the gentleman if I might use his name, but he said, "Oh, no, do not do anything like that."

Mr. HOWE: I suggest to my hon. friend that under the circumstances it is not wise to spread a rumoured transaction of that kind all over the newspapers of Canada.