

Mr. HANSON (York-Sunbury): The motion is to go into supply, and on such a motion one may discuss anything.

Mr. HOWE: I had intended to speak at the first opportunity when the war appropriation bill came up for discussion, and I still intend to do so. I shall then discuss fully the production of aircraft in this country and expose the outrageous campaign that is being waged against Federal Aircraft. Never before in my experience as a citizen of Canada have I seen such a deliberate campaign of misrepresentation with regard to a situation which has been reported on by the highest authorities in the industry, whose reports I intend to lay before the house regardless of the fact that in doing so I shall have to give a frank statement of production figures. While it is against the policy of the government to divulge these figures, a situation has developed that, I believe, warrants me in giving the figures, as far as aircraft are concerned. I do not intend to waste time this evening on the situation discussed by my hon. friend, except to say one word regarding the purchase of timber for mine sweepers at Midland.

These contracts are let as a lump-sum contract, a firm contract. The price is established after studying costs in all parts of Canada, and all builders of mine sweepers accept the same price. It is quite obvious that if what my hon. friend the member for Waterloo South (Mr. Homuth) says is true, the operators of the Midland yard have not his great capacity and buying skill, because he could buy the timber very much better. That is their misfortune, and the loss must come out of their pockets. I think, however, that transaction, running into a few hundred dollars, is hardly worth wasting more of the time of the house in discussing.

What I wish to discuss to-night is the Bren gun contract. The position of the Bren gun contract is just this. Before the war, the government decided that it was in the interests of defence to establish the production of Bren guns in this country. I shall not go into the background of the contract. A contract was entered into with the John Inglis company for the production of 12,000 Bren guns, 7,000 for the account of the Dominion of Canada, and 5,000 for the account of Great Britain. Production was to be at the rate of roughly 5,000 guns a year.

That contract became a great political issue. I was not associated with the war department at that time; but having had considerable experience with contracts, I made a study of the Inglis contract, and took it upon myself to rise in the house to speak in defence of it. In my opinion, as I expressed it at the time,

it was an eminently fair contract, and I have had no reason whatever to change that opinion.

Bren gun production proceeded according to contract. The result was that when a large demand for guns arose as the war proceeded, the Inglis plant had developed a technique for the manufacture of automatic guns which gave it a particular standing in this field. A great demand for automatic guns developed in both Canada and Britain, and increased numbers of Bren guns were required. Canada was the only country outside the British isles that was producing Bren guns, and I must say, in spite of the eulogies we have heard of production in Australia to-day, that that is just as true to-day as it has been at any time since the war started.

We were called on by Great Britain to increase our production of Bren guns for British account, and by our own defence department to increase our supply of Bren guns for Canadian account. In addition, we were asked to undertake the production of other types of automatic guns, the Colt-Browning aircraft gun, the Browning tank gun, the Boys anti-tank gun—all automatic guns, the technique of building which was the same as had been developed by the Inglis company in the manufacture of Bren guns.

True, we have placed contracts for automatic guns with other firms, but in every case we were faced with the position that the Inglis company had the technique which they had perfected in building automatic guns. They had the trained staff necessary to carry on the work, and they could get into production of a new type of automatic gun from six to eight months sooner than any other firm which had to start from the beginning. What has been the result? Instead of a production of 5,000 Bren guns per annum as contemplated in the first contract, we have to-day a production under contract with the Inglis plant of 97,500 guns per annum.

Mr. HANSON (York-Sunbury): Will the minister say whether that is what the contract calls for, or whether that is the production—97,000? Surely the minister does not mean that. You do not mean you are producing 97,000.

Mr. HOWE: I said that the Inglis company had contracts for that amount. I said that the first contract called for 5,000 guns per annum, and the present contract calls in total for 97,500 guns per annum.

Mr. HANSON (York-Sunbury): Not 9,700?

Mr. HOWE: No, nineteen and a half times as much as the original contract, which is 97,500 guns per annum.