

MINUTES OF PROCEEDINGS

THURSDAY, July 5, 1956.

(10)

The Standing Committee on Public Accounts met this day at 11 o'clock a.m. The Chairman, Mr. Charles A. Cannon, presided.

Members present: Messrs. Applewhaite, Ashbourne, Breton, Cannon, Cavers, Cloutier, Denis, Hamilton (*Notre-Dame-de-Grace*), Harkness, Kirk (*Antigonish-Guysborough*), Laflamme, McGregor, Menard, Mitchell (*Sudbury*), Monteith, Schneider, and Thomas—17.

In attendance: From the Department of Defence Production: Mr. D. A. Golden, Deputy Minister, Mr. G. W. Hunter, Assistant Deputy Minister, Mr. J. M. Dymond, Director, Gun Branch, Mr. R. M. Keith, Financial Advisor, Mr. E. C. Perkins, Contracts Review Officer.

The Committee resumed its study of the Public Accounts (1955) Books I and II, in particular Paragraph 36 of the Auditor General's Report thereon, relating to the production of 3"/50 Twin Mount Gun Contracts.

Mr. D. A. Golden was called and made a statement on the production costs of said guns and the comments thereon of the Auditor General.

In the course of his examination, Mr. Golden was assisted by Messrs. Hunter, Dymond and Perkins. He tabled the following document which was ordered printed: (*See Appendix I*)

Comparison of production costs between U.S. and Canadian contracts based on costs as at February 29, 1956 (3"/50 Twin Mount Gun Contracts, Sorel Industries Limited).

Mr. Golden was questioned.

Information was requested with respect to:

- 1 - Figures for board paid by employees of Sorel Industries Limited (staff boarding)
- 2 - Percentage of cost on parts and materials imported from U.S. for all guns manufactured by Sorel Industries Limited.
- 3 - Total payments to Sorel Industries Limited for production of guns and amounts paid by U.S. through Canadian Commercial Corporation for guns shipped to U.S.

The above was ordered appended to this day's proceedings (*see Appendix II*).

Mr. Golden's examination was concluded and he was retired.

The Chairman expressed the Committee's appreciation to Mr. Golden and his officials and at 12.50 p.m. the Committee adjourned to the call of the Chair.

Antonio Plouffe,
Assistant Chief Clerk of Committees.