

Q. I see. In other words, what has really happened, as I understand it, is not that this has been a matter of principle with the Canadian government, from the very beginning, that they should absorb these three particular costs of their production. It has been a matter, presumably, that they started out feeling that some, or all, of these costs might be spread across the contract, and when the United States government said that they were going to stick by their \$250,000 figure, and they would like to pay less if they could, our Canadian negotiating authorities, when they finally worked out the outside price, discovered this matter of principle?—A. No, I do not agree with that.

Q. What other possible explanation could there be, if in your initial stages you were prepared to have the United States pay for part of this, and subsequently you decided that you were not going to assess any of it to them?—A. I do not think it was a question of discovering principles at all, Mr. Hamilton. There are things in the course of negotiation that you might reasonably ask for that you are not prepared to go down the line for.

*By Mr. McGregor:*

Q. I suppose they submitted the price that they could build these guns for in the United States, and they would not go over that price, is that the idea?—A. To the best of my knowledge their prices in the United States are lower than \$250,000, but there are reasons why that would be so. They have longer production runs and do not have to start from scratch the way we did.

*By Mr. Harkness:*

Q. Referring back to the request that was made by Mr. Monteith in respect to getting the totals paid, did the United States pay any money directly to Sorel or was it all paid to some agency of the Canadian government which then paid Sorel?—A. They would pay the Canadian Commercial Corporation.

Q. So all payments to Sorel were made by the Canadian Commercial Corporation, and those will all appear in the public accounts?—A. Yes, those figures will appear.

The CHAIRMAN: We shall adjourn to the call of the Chair. It remains for me to thank Mr. Golden and his officials who have been called to give us this information.

Now, I will get the required information from the Department concerned, namely: rentals of staff houses; percentage of parts and materials imported from the U.S.A.; and the total payments to Sorel Industries Limited by Canadian Commercial Corporation, and the amounts paid on U.S.A. account.