

Mr. GOLDEN: The basis of most of the sales has been cost price to the crown, less depreciation.

Mr. WINCH: Is there a definite rate of depreciation, according to the machine?

Mr. GOLDEN: Generally, it is on a straight line basis.

Mr. WINCH: I want to try to pin down whether or not there is any correctness in the statements we hear and read quite often, that too often it is a give-away price. I want to make sure it is not a give-away price, that the crown is receiving a proper valuation if it sells, after having put forward all the money itself.

Mr. GOLDEN: It is our belief that there are no give-aways. The principal sales of equipment that have been made over the years aggregate in cost some \$97,471,000; the crown received \$63,586,000.

The CHAIRMAN: That was your total cost, less your depreciation?

Mr. GOLDEN: That is right, sir.

The CHAIRMAN: Are there any further questions on vote 68?

Mr. HELLYER: I wonder if the deputy minister could tell us what is the nature of the assistance to A.V. Roe Ltd. in respect to the Avrocar: is it capital assistance, development grants, or what?

Mr. GOLDEN: There is no capital assistance there.

Mr. HELLYER: There is some type of assistance, though, is there not? I have a newspaper article here, the headline of which reads, "Pushing 'flying saucer'".

What do they mean by "pushing it"? The article says:

The Defence Production Department is putting as much as \$2,500,000 into Avro's kitty for the development of the "flying saucer".

Mr. GOLDEN: Under another vote there is a somewhat more modest assistance to—

The CHAIRMAN: Could we hold that, then, until we get the proper vote, Mr. Hellyer?

Mr. HELLYER: Under what vote would this come?

Mr. GOLDEN: Vote 71.

The CHAIRMAN: Gentlemen, may vote 68 carry?

Agreed.

The CHAIRMAN: Vote 69 is an increase from \$100,000 to \$129,175 it is grants to municipalities in lieu of taxes. Are there any questions?

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| Item 69. Grants to municipalities in lieu of taxes on Crown-owned defence plants operated by private contractors | \$ 129,175 |
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Mr. WEBSTER: That is an increase in assessments and valuations, I suppose.

The CHAIRMAN: Are there any further questions?

Agreed.

The CHAIRMAN: Vote 70 is exactly the same as last year. Are there any questions?

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| Item 70. To establish qualified sources for the production of component parts and materials subject to the approval of Treasury Board and to authorize commitments against future years in the amount of \$1,500,000 | \$ 950,000 |
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Mr. WINCH: What is meant by "strategic components development"?

The CHAIRMAN: You would like an explanation first, Mr. Winch?

Mr. WINCH: Yes, please.