Mr. DOUGLAS (Weyburn): Has the Department of National Defence found cases in which there have been acceptances of material which later has proved faulty or defective?

Mr. RALSTON: I was trying to recall anything of the kind, but I could not. I am reminded, however, of the Pickering plant, where there were defective cartridge cases, but those did not get to the Department of National Defence. I am told, though it has not come to my personal attention before, that there have been individual instances of a piece of equipment or perhaps a series of equipments reaching the national defence deparment and not standing up properly, but I am sure there have been no outstanding instances, because they would have come to my knowledge. I must say that the Department of National Defence and the officers have come to feel that they can pretty well take for granted, that a particular machine is up to specifications, and that if it has been designed to do a particular piece of work they need not fear that either the materials or the workmanship will fail to answer the purpose intended.

Mr. JACKMAN: Is there any difference in the set-up of the inspection board in the case of a privately-owned plant and in the case of a government-owned plant? It might be difficult to believe that some of the large arsenals which operate in the United States, in peace as well as in war, would have an additional inspection board belonging to the army or the navy pass upon the product of these plants. It seems to me that if the Department of Munitions and Supply turn out articles in one of their own plants in Canada their inspection should be sufficient without having a duplication by the Department of National Defence when the article is accepted. Why can you not rely on the Department of Munitions and Supply to turn out a product adequate to meet the requirements without having the national defence department carry out a duplication of inspection services in connection with the same article?

Mr. RALSTON: I think my hon, friend is under a misapprehension as to the position of the Department of Munitions and Supply in this regard. The Department of Munitions and Supply makes the contract and arranges to have the article manufactured; then the inspection board comes in, not for the Department of Munitions and Supply, but for the user, that is to say, the Department of National Defence, and makes the inspection. We have great confidence in the Department

of Munitions and Supply, but naturally the user would prefer to have his own inspection, or at any rate an inspection more directly under his control than the inspection that would be provided by an intervening department; and the Department of Munitions and Supply has never suggested that it should do the inspecting, but rather that it should be done by what I might call their customer—because we are the customers and the Department of Munitions and Supply are our agents in procuring a particular article.

Mr. JACKMAN: I do not know whether there are any government arsenals as such operating now.

Mr. RALSTON: They are government arsenals in the sense that the Department of Munitions and Supply operate them. There are two government arsenals, one at Lindsay and the other at Quebec.

Mr. JACKMAN: That is, governmentowned; and you adopt the very same method of inspection of their output as in the case of a private contract?

Mr. RALSTON: Yes.

Mr. JACKMAN: I was thinking of a case like the Bren gun plant in Toronto which is financed by public money. If I understand correctly, the gun end of it is owned by the government. While you might have private management operating the plant and turning out the product, it is virtually a government job with a management fee attached to the operation. You have government employees who are doing inspection work, and on top of that you have the inspection board which is operating for another department of government.

Mr. RALSTON: I do not follow my hon. friend. I thought this was the most logical set-up that one could have, namely, that the party who is to use the article should be the one to control the inspecting. You will find that in the government arsenal at Quebec and in the arsenal at Lindsay. There are inspectors there who are paid by the management and who inspect components and production processes and things of the kind. But the joint inspection board also have inspectors who act at the request of the Department of National Defence in order to see that the specifications are complied with.

Mr. JACKMAN: The question arises only where the manufacturer and the user are the same, namely, the government.

Mr. RALSTON: The Department of Munitions and Supply is not responsible for seeing

[Mr. Ralston.]