

Q. In other words these various items—what are they in dollars exactly? The first one is \$908,000. The second one is not given in this Hansard evidence. It says it came to \$35,074 per mount.—A. I make it \$88,111 per mount. Is that what you wanted, or do you want the total figure?

Q. No, I want the total figures for these three items. The first item is given as \$908,000 or \$19,900 per gun.

Mr. MONTEITH: That was the second item you read this morning.

The CHAIRMAN: They are in the statement that Mr. Golden gave.

The WITNESS: Perhaps we can add them up. The figures are: \$1,525,428—\$908,453—\$1,338,436. Those are the three items.

By Mr. Harkness:

Q. These were all arrived at after the guns had been produced?—A. No. These figures were arrived at while the guns were being produced.

Q. Did you not just give a date in 1955 which was after the delivery date of most of these guns?—A. I said that the March, 1955, date was the date I have on which the formal document was passed; but that does not mean that that was the time at which the agreement was arrived at.

It is pointed out to me that all these figures would have to be settled finally by the cost inspection and audit division making an audit and issuing a certificate as to the actual cost incurred.

Q. In respect to the original contract that was made with Sorel Industries, you think this was a general approximate cost, \$250,000 a gun, and in addition to that you made an agreement with them, did you, saying that you would pay for these three items depending on what they came to?—A. I think that is substantially correct.

Q. Was that an open agreement, or was there any definite amount settled that you would provide for these three items?—A. I think the nature of the item was agreed to, and the cost would have to be those costs properly incurred in connection with these items, as approved by the cost inspection and audit division of the treasury.

Q. Was this plant in use at all before this thing started?—A. There was some attempt made, on a limited basis, to find commercial production which could take place in this plant, and I understand they were pretty unsuccessful.

Q. You say unsuccessfully?—A. Yes, unsuccessfully; this is a very large and very specialized facility.

The CHAIRMAN: What would be the cost of the facilities in terms of millions of dollars?

The WITNESS: Do you mean the replacement cost or the original cost?

The CHAIRMAN: The original cost.

The WITNESS: About \$25 million.

The CHAIRMAN: Thank you.

By Mr. Hamilton (Notre-Dame-de-Grâce):

Q. Is this sort of happening which we see here normal in a situation of this sort? Have you any comparable example that happened in other Canadian purchases?—A. I am not sure that I get the particular aspect of this transaction which you mean.

Q. First of all, where the United States pays a substantially lower price for a similar unit than the Canadian government, well, let us stop at that point for a moment; where the United States pays a substantially lower price for a unit of production than does the Canadian government.—A. I would regard this as most unusual, and based on most unusual circumstances.

Q. Right; so this is a special case?—A. I would think so, yes.