

control in fact, Furthermore the article failed to mention that this company received two contracts and that in the second contract the company was required to obtain approval before borrowing.

In actual practice no loan was obtained without government approval and no cost was incurred by the government in connection with borrowed capital except after prior approval of the loan.

It will be seen from the foregoing that

1. The provisions of the contract were carefully scrutinized by independent authorities before they were executed.
2. All payments were carefully checked and rechecked by officials of two different departments.
3. There could be no political favoritism in the selection of eight out of a possible nine firms.

But as a result of the Department's enterprise in initiating this policy.

- (a) The British Air Ministry let a substantial contract to approximately the same group of companies for the production in Canada of aircraft for the Royal Air Force.
- (b) When war broke out, Canada had, for the defence of her own shores, an effective Air Force in which aircraft manufactured in Canadian plants had a prominent place.
- (c) Additional planes from Canadian factories are still being progressively delivered.
- (d) The art of manufacturing military types of aircraft has been established in a chain of Canadian factories extending from Coast to Coast.

Canada, at War, has no greater asset to contribute to the Allied Cause than its ability to play a major role in aerial warfare.

The transactions criticized by the MacLean Publishing House are the transactions which have made this contribution possible.