

When the minister repeated his statement of a former occasion that this was the finest contract ever made on behalf of the Dominion of Canada he attempted to justify that statement by asserting that it has effected a saving to the country of something like \$1,300,000. When we break this figure down in the light of the evidence given by members of the interdepartmental committee, we find that they claim a saving of capital expenditure of something like \$551,000 because the British government will pay one-third of the capital investment. We find that another saving is claimed of \$864,000 because the John Inglis Company will carry out a complementary order for the British government. According to the evidence the estimated cost of making 7,000 guns would be \$5,402,000, and the estimated cost of making 7,000 guns as part of a production of 12,000 guns would be \$4,537,000.

I refer again to the evidence which discloses that the British government in the original agreement with the patentee made provision for manufacture in the dominions provided such manufacture would be carried on in government-operated factories. I submit that this same saving, or one even greater, could be achieved under public manufacture. If the British government was willing to invest over half a million dollars in the capital outlay of a private enterprise to secure a secondary source of supply, it is safe to assume that they would be much more willing to extend the same assistance to public enterprise. It follows that we could have made the same saving on capital expenditure in a government-operated factory. If the British government were willing to place an order for 5,000 guns with a private firm, they would have placed the same order with equal alacrity with a government-operated factory. It follows that we could have made the same saving, under public manufacture, on production.

In addition, under public manufacture, this country would have saved the profits allowed to the John Inglis Company under the contract. Whatever may be said about separate contracts, the contract from the British government was negotiated with the aid of the Canadian government. The minister stated, in answer to a question put last session by the then leader of the opposition, that it was not through the good offices of the Canadian government, although it has been clearly proven in evidence that Major Hahn acted, while a potential contractor, as the accredited representative of the Canadian government in respect of the Bren gun deal. As a matter of fact the Minister of Agriculture

[Mr. MacNeil.]

(Mr. Gardiner) described it as a joint contract. If we are to have such joint contracts, why should we have such hypocrisy about the matter? It is vastly preferable that we should accept orders from the British government for manufacture in government factories than that we should be involved in a profiteering deal such as we are discussing.

I propose to vote against the amendment because I consider it hopeless to continue a satisfactory inquiry into the matter in committee of the whole because of the attitude taken by the government. I can only hope that by persistent endeavour in the public accounts committee the truth about the situation will be made known to the public.

Mr. MACKENZIE (Vancouver): Hear, hear. So do we.

On motion of Mr. Pouliot the debate was adjourned.

NAVAL SERVICE ACT

SANCTION BY PARLIAMENT OF ACTION BY NAVAL FORCES OTHER THAN FOR DEFENCE

Mr. C. G. MacNEIL (Vancouver North) moved for leave to introduce Bill No. 17, to amend the Naval Service Act.

Mr. LAPOINTE (Quebec East): Explain.

Mr. MacNEIL: The purpose of this bill is to amend the Naval Service Act so as to make it conform with the present constitutional status of Canada.

Mr. LAPOINTE (Quebec East): Is this the same bill as was introduced last year?

Mr. MacNEIL: It is the same bill.

Motion agreed to and bill read the first time.

MILITIA ACT AMENDMENT

SANCTION BY PARLIAMENT OF PLACING MILITIA ON ACTIVE SERVICE BEYOND CANADA

Mr. C. G. MacNEIL (Vancouver North) moved for leave to introduce Bill No. 18, to amend the Militia Act.

He said: This is in identically the same terms as the bill I introduced last session. The purpose of the bill is to amend the Militia Act to make it conform with the present constitutional status of Canada as recognized by the resolutions of the imperial conference, especially in 1926, and by the statute of Westminster, 1931. Its object, further, is to provide that Canada shall not become involved in any war beyond Canada without the sanction of parliament.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE ACT

CONSTRUCTION OF WORKS AND PRODUCTION OF ARMAMENTS THROUGH GOVERNMENT AGENCIES

Mr. E. J. POOLE (Red Deer) moved for leave to introduce Bill No. 19, to amend the Department of National Defence Act.

Mr. MACKENZIE (Vancouver): Explain.

Mr. POOLE: The purpose of the bill is to provide that moneys voted by parliament for national defence purposes shall be spent by the government, through its own agencies and under its own control.

Motion agreed to and bill read the first time.

NATIONAL FILM BOARD

REVIEW OF GOVERNMENT FILM ACTIVITIES—INTER-DEPARTMENTAL COMMITTEE TO CENTRALIZE DISTRIBUTION

Hon. C. D. HOWE (Minister of Transport, for the Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to introduce a measure to create a national film board empowered and directed to review and report on government film activities and to discharge such other duties as the governor in council may request; and to authorize the governor in council to appoint, and determine the salary of, a commissioner, to be the chief executive officer of the board. Also to provide for the appointment of an interdepartmental committee to centralize government film distribution.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the favourable consideration of the house.

Motion agreed to.

RADIO BROADCASTING

APPOINTMENT OF COMMITTEE TO CONSIDER ANNUAL REPORT AND REVIEW AIMS AND POLICIES OF CANADIAN BROADCASTING CORPORATION

Hon. C. D. HOWE (Minister of Transport) moved:

That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; and that the said committee shall consist of the following members: Messrs. Ahearn, Beaubien,

Bertrand (Laurier), Bouchard, Dupuis, Factor, Hamilton, Héon, Howe, Isnor, Johnston (Bow River), Lawson, MacKenzie (Neepawa), MacMillan, Martin, Patterson, Pottier, Ross (Moose Jaw), Slaght, Stevens, Thompson, Turgeon, Woodsworth, and that the presence of at least nine members shall be a quorum of the said committee and that standing order 65 be suspended in relation thereto.

Motion agreed to.

ROYAL VISIT TO CANADA

SUGGESTED STRIKING OF SPECIAL DECORATION FOR DEFENCE FORCES AND EX-SERVICE MEN

On the orders of the day:

Mr. F. E. LENNARD (Wentworth): Mr. Speaker, I should like to ask a question of the government. In view of the fact that a British reigning sovereign has never before been in Canada, and in view of the approaching visit of their majesties this year, will not the government consider the striking of a special decoration, to be awarded to all members of the defence forces of Canada and all ex-service men in Canada?

Right Hon. ERNEST LAPOINTE (Minister of Justice): I suggest that this question be accepted as a notice of motion. The hon. member will receive an answer at the proper time.

PRIME MINISTER'S SPEECHES

SUPPLEMENTARY INFORMATION COMPLETING ANSWER TO QUESTION ASKED BY HON. MEMBER FOR YORK EAST ON FEBRUARY 3

On the orders of the day:

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, a question put by the hon. member for York East (Mr. McGregor) was incompletely answered on February 3, 1939, and appears in *Hansard* No. 17 at page 687. This additional information from the Department of Mines and Resources completes the answer to the question.

CATTLE SHIPMENTS

QUOTA PERMITTED TO ENTER UNITED STATES UNDER TERMS OF TRADE AGREEMENT

On the orders of the day:

Mr. M. C. SENN (Haldimand): I should like to address a question to the Minister of Agriculture (Mr. Gardiner). Is the quota of 60,000 head of cattle per quarter which is

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(M.G. 26, J 4, volume 166, pages C118551-C119254)

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