

requires roof repairs, a waste disposal system, general renovations, processing rearrangements, and improved ventilation systems. Of course these are the responsibility of the new operator, Bartaco.

A question was also asked on the details of profits and losses during the firm's operation. I have the figures here. In 1952 there was a profit of \$210,000; in 1953, \$383,000; in 1954, \$113,000; in 1955, \$60,000; in 1956 \$61,000; in 1957 \$41,000. Subsequently there was losses: In 1958, \$161,000; in 1959, \$172,000; in 1960, \$147,000; in 1961, a profit of \$70,000; in 1962, a nine months period, a loss of \$102,000; in 1963, under Fleet management, a profit of \$55,000, followed in 1964 by a loss of \$136,000; in 1965, a loss of \$57,000; in 1966, a profit of \$93,000; in 1967, a loss of \$315,000; and in 1967, from September, the end of the company's fiscal year, until December 5, a further loss of \$87,000.

The hon. member also asked for the names of the directors and the shareholders. The following are the directors: Robert Mathew Barr, president, J. S. Gairdner, vice president, John Howard Hawke, Samuel F. Ross, secretary, William A. Barr, Clarence W. Leonard, and John Charles Sawchuk. The shareholders are: R. M. Barr, operating through Barchild Investments of Orillia, and J. S. Gairdner, operating through Glengair Investment of Toronto, who together own 82 per cent of the common stock, and there are also some 300 miscellaneous shareholders holding 18 per cent of the common stock. I am told that most of these 300 miscellaneous shareholders are Canadians.

In respect of the obligations of Bartaco, they have undertaken to continue this facility in operation for a minimum period of two years.

A question was asked as to when a sale to a United States firm was first known to the department and whether the department has ever obtained an assurance to maintain Canadian ownership. There has been no sale to a United States firm, although I am told that an offer was made by a firm in Philadelphia to purchase 52 per cent of the stock of this enterprise. The offer was made in February. I must say I do not know how long it will be valid and whether it will be accepted. No undertaking was given by the purchaser that it would remain under exclusively Canadian ownership.

The hon. member asked whether balance sheets were available. The answer is yes, a balance sheet is now in the process of being

#### *Supply—Defence Production*

audited by the audit service branch of the Department of Finance.

**Mr. Nasserden:** Mr. Chairman, we thank the minister for the information he has given us. Can he tell us whether the figures regarding the plant, the building and the equipment, etc., related to the time of the sale? My question was related to the value of the asset at the time of the sale, not at the time it was first constructed.

**Mr. Drury:** As the hon. gentleman, who I understand is a member of the public accounts committee, will know, the valuation of the land would probably be obtainable on some form of appraisal. The cost of the land was \$1. This is rural land in Renfrew county, and without in any way wishing to run down Renfrew county may I say that it is not of very substantial value per acre. Under a system of accounting which governments of Canada have pursued for a long time, the buildings are carried in their books, not at a depreciated, current or market value, but merely at the original cost figure. This is the only figure we have for this building which, since the inception of the operation, has continued to be owned by the government.

**Mr. Nasserden:** Was there any inventory of raw materials or stock on hand at the time of sale?

**Mr. Drury:** An audited balanced sheet was made up at the end of the company's fiscal year. A *pro forma* balance sheet was drawn up as of the date of sale, and this is the one which is currently being audited by the audit service branch of the Department of Finance. I do not think it should be released before it has been audited. But the figure in the balance sheet dated September 29 shows an inventory of raw materials of \$116,000; work in process, castings, \$120,000; castings finished but undelivered, \$63,798; and work in process in respect of patterns, \$103,000.

**Mr. Nasserden:** Were there any accounts receivable?

**Mr. Drury:** Yes, Mr. Chairman. In September there were accounts receivable in the amount of \$261,979.15, without any reserve for bad debts in the balance sheet.

**Mr. McIntosh:** Mr. Chairman, I should like to direct the minister's attention to some remarks he made in the house last night. Near the bottom of page 7831 of *Hansard* in