

APPENDIX C

Answers to questions by Mr. A. L. Smith, M.P.

OFFICE OF THE MINISTER OF RECONSTRUCTION AND SUPPLY

OTTAWA, CANADA

AUGUST 14, 1946.

R. ARSENAULT, Esquire,
Room 433,
House of Commons,
Ottawa.

Dear Mr. ARSENAULT:

Re—*Special Committee on War Expenditures and Economies*

At the meeting held on May 30, 1946 a question was asked by Mr. A. L. Smith, M.P., concerning the disposal of Crown-owned chemical plants at Trail, B.C. and Calgary, Alberta, which were operated during the war period by the Consolidated Mining and Smelting Company of Canada, Limited.

It was agreed at that time that a statement would be made as soon as the sales transactions, then pending, were finalized.

I enclose herewith four copies of the statement.

Yours very truly,

GEORGE J. McILRAITH,
Parliamentary Assistant to the Minister.

GJM:MM

Enc. 4.

Statement by J. H. Berry, President, War Assets Corporation, re sale to Consolidated Mining and Smelting Company of Canada Limited of Crown owned Chemical Plants at TRAIL, B.C. and CALGARY, ALTA.

The plant located at Trail, B.C. for the production of ammonia and ammonium nitrate, known as Project No. 8, was constructed by Consolidated Mining and Smelting Company of Canada Limited, in 1940, for and on behalf of the British Government, without fee or profit. The cost of the plant was \$5,800,000, which was provided by the British Government. The plant was operated for and on behalf of the British Government by Consolidated without fee or profit. The plant was taken over by the Canadian Government as part of the assets of the British Government in Canada under the general agreement made for the take-over of British Assets in Canada in 1943.

By Clause 32 of the agreement, the disposal of the plant was limited as follows:—

Disposal of Plant—His Majesty agrees that, subject to clause 31 hereof, he will not dispose of the said plant or any part thereof (whether by sale or upon lease or licence or otherwise howsoever) without first offering such plant or such part thereof to the Company. If such offer does not result in the disposal of the plant or such part thereof to the Company His Majesty agrees that he will not, until the day of the expiration of five (5) years next ensuing after the termination of the present war, or until the day of the expiration of twenty (20) years after the death of the last survivor of the issue now living of His Majesty King George VI, whichever day shall be the earlier, dispose of the said plant or any part thereof to any third party (whether by sale or upon lease or licence or