

page 4335 of *Hansard*, when explaining why he required certain powers set out in the section, he said:

I shall endeavour to give a layman's explanation, from information given to me. I believe this additional authority is required to enable the officers of the company to engage and to dismiss staff; and further, they are given the power to purchase other than by tender, which may not be according to legislation governing government purchases.

Later, at page 4336 he said:

One of the things that comes to mind is the procedure in connection with tendering and entering into of contracts.

At that time he was referring to changes from normal procedure of government. I suggest this is a good example of lack of care taken by the government in devising this legislation and in making a decision as to what was to be done. If a principle like that is to continue, we may be going some way not only toward the breaking down of the civil service, with respect to which much has been said, but also toward the breaking down of a very important principle in the letting of government contracts, namely, the calling of public tenders.

I have looked into the record of the debate which took place in 1939 when the defence purchasing board was set up. At page 1764 of the debates for 1939 I find that the then Minister of National Defence, the present Minister of Veterans Affairs (Mr. Mackenzie) was at some pains to praise the government, himself and his bill for the care which had been taken to insist upon the calling of tenders in connection with purchasing. I read this from his speech, as it is reported at the top of the second column on the page to which I have referred:

The bill lays down as a cardinal principle that where competitive bidding is practicable there shall be competitive bidding by advertisement in the public press. The bill also lays down that as far as possible the purchases shall be made in the dominion of Canada. If it is considered necessary to purchase outside of Canada the board must report to the government, giving its reason therefor. If, after competitive bidding, the board deems it not in the public interest to award the contract to the lowest bidder, the act requires that it shall report to council giving its reason therefor.

Several pages were taken up giving statistics as to the number of contracts let by the minister by public tender in the years before the war.

When one puts alongside each other the policies of the government in 1939 and those in 1947 with respect to the letting of contracts for defence purchases and for building, he can see the direction in which we are travelling;

and that direction apparently is not limited alone to the setting up of a new civil service procedure, but also relates to other equally important ways of conducting public business.

When I now hear that this corporation is going to build or reconvert barracks for the housing of families in the service, and when I remember that one of the express purposes of the act is to get away from the necessity of calling for tenders, I cannot help thinking of the experience we have had under the Veterans Land Act and the excessive costs which have been occasioned in the conduct of that scheme by the government. I cannot help thinking that it would be sound practice to get back to the system of public tenders, which the government liked so very much in 1939, and that we ought to adhere to that system.

Mr. DEPUTY SPEAKER: When the minister speaks he will close the debate.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, I have listened carefully to comments respecting this legislation from all parts of the house, but possibly more carefully to the criticism from the official opposition.

As Minister of Trade and Commerce I have been administering this act for about six months, and if I have understood correctly the criticism offered this afternoon against this legislation I must say it describes an act which I could not recognize.

I can assure the house that the Canadian Commercial Corporation has been functioning actively, not under the remote control, but under the direct control of the Minister of Trade and Commerce, and that it has been operating efficiently; indeed so much so that I believe there is no one in the house who can say there has been one scintilla of criticism against any of the actions of the corporation, due largely to its capable personnel headed by Mr. Low, and the close contact which the deputy minister of trade and commerce and I have kept with the work of the organization.

I can assure the house that the corporation is not operating as a loose end of government, but rather in a businesslike way and under the direct supervision of the department. My colleagues, the Minister of National Defence (Mr. Claxton) and the Minister of Finance (Mr. Abbott) have dealt with most of the criticism offered. However I should like briefly to refer to some observations made by hon. members.

The hon. member for Carleton (Mr. Boucher) spoke about the legislation being effective for only two years. I have a distinct recollection of being complimented, when the