

Then, where does Canadian Arsenals Limited fit into this picture? There we have a government company manufacturing certain weapons of war; where does it fit in? Is it to be under the Department of Trade and Commerce too, or is it to be under National Defence?

I asked this question of the Minister of National Defence on February 17, and his reply is found at page 524 of *Hansard* as follows:

Possibly Canadian Arsenals will come to defence and some of the other activities such as purchasing will go to trade and commerce as well as some part of the inspection.

We would like to know who is to be responsible for Canadian Arsenals.

Another objection is that this new set-up will be ineffective for the construction of military projects. I shall not go into that further because the hon. member for Nanaimo (Mr. Pearkes) will deal with that phrase of the matter.

The fourth objection is that this is one more instance of using a crown company instead of placing the responsibility directly on the department. The hon. member for Carleton has already dealt with the question of the wisdom of using a crown company. We are much concerned over the trend of the government towards the use of crown companies. It looks like such a simple scheme, just to set up a company and let it do your work. All the time the company will get farther and farther away from the control of parliament, farther and farther away from control by the Canadian people.

Mr. GRAYDON: Let George do it.

Mr. GREEN: Some day this practice must be stopped, and we believe it should be stopped right away. We say this procedure of setting up crown companies should be stopped immediately.

These are the reasons I place before the house for asking that the government withdraw the bill and give further consideration to the whole policy. The necessity for equipping our forces, keeping them equipped and establishing proper controls over the manufacture of that equipment is one of the most vital matters facing not only the Canadian parliament but also the people at large.

Mr. G. R. PEARKE (Nanaimo): Mr. Speaker, I can appreciate the advantage of having a central agency for the purchasing of supplies and equipment for the three armed services, provided those purchases are made according to the specifications laid down by the responsible officers of those services, and

provided there is speed in procurement and delivery of these special articles.

It seems to me those essential requirements were met when there was a procurement branch within the Department of National Defence. But the farther that procurement branch is removed from the actual department concerned, the greater is the danger of specifications not being adhered to and of substitutions being made; and inevitable delays must result when instructions are passed from one department to another. If the responsible officers of the department have to make known their requirements to the Minister of National Defence, and if the Minister of National Defence must pass them on to the Minister of Trade and Commerce, who in turn would pass them on to this corporation, it is obvious that there must be a considerable period of delay before production can begin of the article required. The farther the central agency is removed from the actual department, the greater the danger of delay, and of specifications not being adhered to.

I am particularly anxious to refer to that part of the bill which deals with the authority granted to the corporation to carry out projects. For a great many years it has been the custom of the various armed services to deal with the Department of Public Works when they require any construction work to be done. If there was a gun emplacement to be built, if barracks were to be constructed or a runway laid down for some R.C.A.F. station, that was turned over to the Department of Public Works and the work was then let out by that department under the proper supervision of the engineers of the department. The engineers of the services were accustomed to working with the engineers of the Department of Public Works, and they had confidence in their decisions.

Sometimes it was not always possible for the Department of Public Works to carry out the project which had been turned over to it, and then opportunities arose where the construction work would be carried out by day labour under the supervision of the engineers of the services. Occasionally the work would be carried out by service personnel under the supervision of their own engineering officers. Opportunities were thus given to the service engineers to gain experience in carrying out various construction work. That might be described as useful training, but in the main this construction work was carried out by the Department of Public Works.

What is intended to be done under this bill? Is this corporation to set up a little public works department to carry out the work required by the Department of National