

*Supply—Defence Production*

they are financed by means of a surcharge on the volume of business handled. The annual report of Crown Assets Disposal Corporation indicates a particularly satisfactory operation for the past year, having reduced the total costs of disposal to less than 7 per cent of the proceeds realized. Last, but not least, Polymer Corporation continues to show most encouraging results, having established during the past year new record levels of sales, production and payment of dividends to the crown, after all necessary provision for depreciation and payment of normal income taxes.

**Mr. Fleming:** May I ask the minister a question?

**Mr. Howe (Port Arthur):** Yes.

**Mr. Fleming:** Is the new corporation, Northern Ontario Pipe Lines, coming under the Department of Trade and Commerce or under the Department of Defence Production?

**Mr. Howe (Port Arthur):** It is under the Department of Trade and Commerce.

**Mr. Fleming:** Mr. Chairman, departments of government, particularly when we come to the stage of reviewing estimates, should not have their importance judged simply by the amount of money that they ask for to finance their own departmental operations. The Department of Defence Production certainly should not be judged as to its importance by that standard. There are departments of government whose estimates greatly exceed those of this department. This department, for instance, does not compare in its expenditures with the large spending departments like national defence, finance, national health and welfare, public works, post office and others. Indeed, sir, the proposed appropriations this year amount to \$22 million and comprise only seven items.

But, sir, the importance of this department is rather to be measured in other terms. First, it is to be measured by the vast powers that the department possesses and that are vested in the minister. I recall to the minds of hon. members the review of those powers in the debate during this same period of the 1955 session, powers that are unparalleled in their extent and on which, indeed, the only legal limit remaining is the limit preserved last year after an epic struggle by the opposition. I refer, of course, to the time limit.

The second factor is the amount of actual spending that this department does. This department has confided to it the expenditure or commitment of vast sums of money on behalf of other departments, in particular the Department of National Defence, that do

not enter into its own departmental appropriations. Indeed, since its inception on April 1, 1951, this department has spent or committed a total of approximately \$6 billion. Its expenditures, the commitments it undertakes on behalf of other departments, are running now at approximately \$1 billion per annum.

The third factor, of course, is the concentration of functions and responsibilities under the present minister, for with this department, the other one he heads and the various crown corporations that are associated with these two departments this situation is like the hub of a wheel. As to the crown companies, there is a list on page 2 of the second volume of the public accounts in which it will be seen that of the 29 crown corporations there enumerated they are responsible to ministers of the government in these numbers: the Minister of Trade and Commerce, eight corporations, the Minister of Defence Production five corporations, the Minister of Transport seven corporations, the Minister of Northern Affairs and National Resources three corporations, the Minister of Finance three corporations, the president of the privy council one corporation, the Minister of National Revenue one corporation, and the Minister of Public Works one corporation.

Lately there has been added a thirtieth crown corporation, namely, Northern Ontario Pipe Line Crown Corporation, bringing to a total of 30 the number of crown corporations. Under the two portfolios which the minister holds, trade and commerce and defence production, 14 out of the 30 are responsible to him, and I am not including in that total the national research council which is also responsible to him.

The fact that so much purchasing is carried on in this department does create a position of unprecedented power so far as the minister is concerned. No other man in Canadian history has had \$20 billion to spend as he has since 1939—indeed, few people in all the world at any time.

There are five crown corporations in this particular department and with respect to these crown corporations, as with the other crown corporations in the total of 30 that I have mentioned, I say that there should be a periodic and intensive review by a committee of the house of the operations of each of these crown corporations. At the present time they are much too remote from parliamentary control, and in committee of supply the machinery provided for a review of the operations of a crown corporation or, indeed, the operations of a department of this kind, is most inadequate. The committee of supply