

Canadian Commercial Corporation

promptly received from the Canadian purchasers. If there are transactions in the future of a similar nature for essential commodities, we cannot be sure that payments will be forthcoming with sufficient promptness to enable the corporation to finance them.

There is also always present the possibility that a sudden change in the international situation may confront us with the urgent necessity of procuring immediately supplies essential to our national security. We may, for example, be threatened with the loss of an important source of supply of a critical material. It seems prudent that the corporation be put in a position to deal with unforeseen emergencies of this kind should they arise.

Provision is also made in the proposed legislation under which it will be possible for the corporation to recover from departments and agencies of the government of Canada proportionate shares of the corporation's costs of operation. Such provision is calculated to place upon those departments and agencies proper financial responsibility with respect to services rendered to them by the corporation.

In this connection, the amounts up to \$10 million provided for in section 8 were never regarded as a spending appropriation but were regarded as constituting a revolving fund, disbursements from which for the purposes of a particular department were to be recovered from that department out of its appropriation. Until May, 1948, the operating expenses were recovered on a prorated scale settled with the departments concerned and approved by the treasury office. In that way the corporation's funds were not depleted. On a question raised, however, the deputy minister of justice gave it as his opinion that, in the absence of special statutory provision, the corporation could not recover any of its operating expense from departments for which it acted as agent. Consequently the Department of Trade and Commerce had to get a supplementary appropriation to cover the corporation's operating expense incurred in transactions for the Department of National Defence. The view was expressed at that time by some hon. members that the costs of procurement should be borne by the appropriate departments rather than centralized in the Department of Trade and Commerce.

That, Mr. Speaker, outlines the purpose of the bill, and the provisions which will be contained in it.

Mr. J. M. Macdonnell (Muskoka-Ontario): I should like to make a few observations on the resolution before it goes to the committee stage.

The minister has given us what I think is a clear picture of the scope of the work of the corporation. I should like to refer briefly

to a few aspects of it. I shall read from the resolution introduced in 1946 by the then minister of trade and commerce, to be found at page 1930 of *Hansard* of that year:

That it is expedient to present a bill to establish a corporation to be known as the Canadian Commercial Corporation empowered to assist in the development of trade between Canada and other nations and to assist persons in Canada to obtain goods and commodities from outside Canada and to dispose of goods and commodities that are available for export from Canada.

As the minister has pointed out, on the 5th of February, 1947, the authority was extended, and the extension was confirmed by chapter 51 of the statutes of that year. At that time, as the report of the corporation for 1947 shows, the function vested in the member for Port Arthur (Mr. Howe) as Minister of Reconstruction and Supply was transferred to the member for Port Arthur as Minister of Trade and Commerce. This was a measure to give the corporation power to act as purchasing agent for the Department of National Defence. I will read the pertinent section, which is to be found in chapter 51 of the statutes of 1947:

The corporation may, as directed by the minister, exercise and perform on behalf of the minister, the power, duty and function vested in the minister to buy or otherwise acquire and manufacture or otherwise produce munitions of war or supplies for, and to construct or carry out projects required by the Department of National Defence.

I do not think we should overlook the fact that there is this very wide power because of the simple word "produce". I think we will want to ask certain questions in committee to assure ourselves as to where the corporation is taking us. The minister will not be surprised if I say that we are always a little shy of the extension of powers of crown corporations. I shall not say any more on that point.

It seems perfectly clear from reading the report of the corporation for the year 1948—and of course that only brings us down to March, 1948, so that we are almost a year behind—that the business of the corporation was changing very substantially even at that time, and that its duties as purchasing agent for the Department of National Defence were becoming more important. It was doing more along that line while its other duties were diminishing to a very considerable extent.

I can quite understand the force of what the minister said about the disturbed conditions immediately after the war, particularly on the continent of Europe, and that a government agency could probably do things which a private agency could not do. The minister gave us two instances, sisal in 1947, and potash, I am not sure in what year; and I can quite understand that situations do