

Committee on Defence Expenditures

(Mr. Gillis), that the terms of reference will be treated in a generous fashion.

Right Hon. L. S. St. Laurent (Prime Minister): Just before the motion is adopted, I should like to say that there seems to have been some confusion about what this committee is intended to do. There can be no question about its full capacity to investigate the propriety or otherwise of expenditures for publicity through public relations; that is certainly an expenditure that may be deemed to be in the field of national defence, and will be within the terms of the committee. But it would be wrong to think that this committee is being set up to replace the government or to replace parliament in determining the policies of this country in the international atmosphere that exists at the present time. It will certainly be no part of this committee's function to examine and determine the aid to Britain which this country might extend, because that is a matter which will have to be dealt with by the government and by parliament itself, as do all these major matters of government policy.

The same thing may be said concerning the advisability of expanding steel production in this country. It is a matter of very great importance, but it is not a matter that is going to be turned over to this committee on expenditures. There may be some incidental reference as to the advisability of having a defence commitment made to an industry set up in this particular place in the country, instead of making a commitment to an industry some other place in the country. But the broad policy concerning the distribution of industries in this country, in such a way that when defence preparations are over there will be a better balance in the economy of the nation, is something that parliament will have to deal with. It will not be determined by this committee on expenditures.

Mr. Diefenbaker: Would the committee be allowed to make a recommendation on a matter such as that?

Mr. St. Laurent: The committee will be allowed to make recommendations or observations on any matter that may arise out of its investigations. If it finds that there have been expenditures or commitments for expenditure that would lead to a policy that the committee would frown upon, I suggest there could be no objection to its observations and recommendations. It is a committee set up for the purpose of doing what the leaders of the three groups have said to be very essential, and which the government considers to be very essential, that is to see to it that,

within the policies recommended by the government and accepted by parliament, the country is getting full value for the appropriations that have been provided.

It is not being set up for the purpose for which committees were demanded in previous years, that is to have the committee act as committees do under the United States constitution in preparing estimates, determining what the budgets will be and how the moneys provided in those budgets will be expended. Those are matters to be recommended to the house by the government, and to be determined by parliament itself. Parliament having decided what moneys will be available to the Department of National Defence, I believe it is essential that there should be the closest possible check upon the way in which those moneys are expended. I am sure it is the desire of every hon. member in this house to have that money properly expended, and expended in the manner that will produce the greatest possible value for our defence purposes.

I do not believe there will be any generosity of interpretation of the terms of reference required because they are very specific. The committee is being set up to scrutinize all the expenditures made for defence purposes, and all the commitments for expenditure made for defence purposes. It is no doubt possible the examination will involve examining more than the activities of the defence department itself, because most of the procurement for the defence department, and a large part of the money voted to the defence department, is going to be expended through the Department of Defence Production. It will certainly be necessary to follow it through the Department of Defence Production in order that the committee may be satisfied as to whether or not the money is being properly expended. I believe the committee will not require any generosity of interpretation of the terms of reference and will not attempt to investigate anything but what amounts to expenditures or commitments for expenditure. It may make its observations as to the wisdom of those expenditures or those commitments having been made, but it will not attempt to deal with all those other major matters of policy to which the hon. member for Cape Breton South (Mr. Gillis) referred in his address. He was not suggesting that these matters would be within the scope of this committee, but that he would like to see a committee that would go into these various matters. Well, that is not what we have before us at the present time.

This committee is not a committee to examine whether or not the allowances for those who enlist in the services are sufficient;