

is the desirable course so as to secure the benefit of specialization of function, and of ensuring that as far as possible the men in the defence department have to do with defence. I might point out that in the United Kingdom they are continuing the handling of all defence purchasing for all three services by the department of supply which is being continued. That is not considered desirable here because the volume of defence purchasing for our country of twelve million people is ordinarily not sufficiently great in peace time to warrant a separate department; but it is considered desirable that it should be handled by a department of the government separate from that of defence.

I should like to point out that in connection with the whole matter of procurement of all defence equipment there are a number of different things to be considered. First of all is standardization; second, industrial organization; third, inspection; and fourth, purchasing. All these matters are closely associated; all these matters are of concern to industry and to those who supply materials of defence as well as to the defence department.

Standardization, for example, is very much more a matter of keen concern to industry in its civilian capacity than in its capacity to make munitions of war; but we as a defence department are interested in it from both points of view. Our view is that these four aspects of the whole process of procurement can be handled far more effectively if they are under a civilian department and if they are handled in conjunction one with another. Consequently plans are being examined to see if these activities cannot largely be concentrated in the Department of Trade and Commerce as the successor to the Department of Reconstruction and Supply.

Finally, Mr. Speaker, there is this to be said. Canadian industry itself has become accustomed to dealing with the Department of Reconstruction and Supply, successor to the Department of Munitions and Supply, and our view was that industry would be more accustomed to dealing with the people with which it had been dealing throughout the war if these people were put in close association together, and that was accomplished in the Canadian Commercial Corporation. I think it is fair to say that my hon. friends opposite have not and cannot point to any single respect in which this practice, which has already been in effect for some time, has failed to work effectively. They are expressing fears and apprehensions, but we have now almost half a year's experience of the way in which it is working, and we find that

it is working satisfactorily. We have had that experience, and based on that have put forward this measure with the thought that it represents a substantial advance on the methods of procurement followed before the war, and it is a logical and natural consequence of our war experience.

Mr. PEARKES: Will the minister permit one question? Can he explain whether this corporation is going to do all the construction work in the future, or whether some will be done through the Department of Public Works and some through this corporation? He did not make it clear to me just the relationship between this corporation and the Department of Public Works and the Department of National Defence.

Mr. CLAXTON: If an outside contract is to be placed for construction to be done for the Department of National Defence, it would be placed through the Canadian Commercial Corporation.

Mr. PEARKES: Not through public works?

Mr. CLAXTON: That is right.

Mr. ROSS (St. Paul's): Will this be a new department altogether, the Canadian Commercial Corporation?

Mr. CLAXTON: No, not at all.

Mr. ROSS (St. Paul's): What else will it be?

Mr. DEPUTY SPEAKER: Order. May I remind hon. members that we are not in committee.

Mr. ABBOTT: We shall be shortly, I hope.

Mr. J. G. DIEFENBAKER (Lake Centre): I listened with interest to the remarks of the minister in his defence of this extraordinary proceeding of placing in a corporation set up for an entirely different purpose the power, duty and function to buy or otherwise acquire and manufacture munitions of war or supplies for, and to construct or carry out projects required by, the Department of National Defence. As a matter of fact in the concluding words of his speech the minister indicated that he found inefficiency in his own department in the doing of this work, and that the experience of the last few months had convinced him that the work would be done much more efficiently by a corporation such as the Canadian Commercial Corporation.

I would point out that the purposes for which the corporation was established in no way comprised any of the functions now being allotted to it. I presume that section 4 will have to be amended before section 17 can