members, and particularly to the leader of the opposition (Mr. Drew), but I was not prepared this afternoon to discuss the whole problem of the defence of Canada under a resolution to set up a defence expenditures committee, and I shall not do so because I think that one should endeavour to be relevant to a resolution moved before the house.

Mr. Drew: Mr. Speaker, I do not want to interrupt the hon. member but I do not wish to let go unchallenged any suggestion that I was speaking beyond the strict confines of proper debate on this motion. I made it clear that the reason I was discussing the defence situation and the threat abroad was that we might know how important it is that when this committee meets it be given the widest powers, such powers as have been defined by the Prime Minister (Mr. St. Laurent).

Mr. Coldwell: I did not rise during the speech of the leader of the opposition because we extend to him courtesies that are not extended to other members of the house. However, I was rather surprised to find the moving of this resolution used as an occasion for a debate on external affairs and on other matters dealing with defence policies that clearly do not come within the confines of the resolution. I want to say that, because I feel it should be said.

The resolution reads:

That a select committee be appointed to examine all expenditure of public moneys for national defence and all commitments for expenditure for national defence since March 31, 1950, and to report from time to time their observations and opinions thereon, and in particular, what, if any, economies consistent with the execution of the policy needed by the government may be effected therein, with power to send for persons, papers and records and to examine witnesses; and that notwithstanding standing order 65, the committee shall consist of twenty-six members to be designated by the house at a later date.

The resolution is to set up a committee to examine expenditures that have been made from time to time and commitments involving expenditures from March 31, 1950, to date. Like the leader of the opposition, I welcome this resolution. I welcome it because I think that a committee of this sort which was established during the war years performed a useful function for Canada in safeguarding some of the expenditures and commitments made in connection with our war effort. It is in the light of my experience as a member of that committee that I wish to discuss this resolution.

I think the people of Canada expect this parliament and this government to get the best possible value for the expenditures being made. The purpose of this committee should be to see that we get the best value possible. It is regrettable that we are not getting the best value for the expenditures we are making because of the inflation that has occurred, which means that our expenditures must be vastly greater than they otherwise would be because of the high prices that have developed in our economy.

I think the people of Canada expect that no undue profits shall be made by corporations and organizations providing equipment for our armed forces. As the house well knows, from time to time during the past number of years, particularly last year, we have moved motions suggesting that a limitation should be placed on the profits made by corporations and companies engaged in the production of war supplies. We suggested that no more than—I think this is a generous profit at this time—5 per cent should be made on the capital employed in the production of war materials and supplies.

During the last war, because of necessity perhaps or because of the shortage of factory space, machines and so on, the government gave great concessions to some of the greatest and most powerful corporations in this country, concessions which enabled them to exercise great power in our economy and to gather to themselves returns which were out of all proportion. I am not going into the great financial returns that were made possible to corporations like the Aluminum Company of Canada. A total of $164 million was provided to that company in the way of accelerated and special depreciation and an increase of 5½ cents per pound on aluminum over and above normal profits and depreciation in order to pay for the great expansion they undertook at that time.

When that matter was under discussion we were told that this was being done because these great facilities then being provided would not be required after the war. At noon today I was reading the report of the subcommittee on war expenditures which dealt with that great project and I noticed that the statement was made that after the war these facilities would no longer be required, that the great power plant would be idle in part and that many of the facilities that were made available at that time would be destroyed or dismantled. Yet ever since, upon the basis of what I call a great gift which was made to the Aluminum Company, that company had been expanding all the time.

The same applies to some recommendations made by the committee. I have in mind the manner in which we went into the safeguarding of Canadian interests in connection with the great chemical industry of this country.