

*Canadian Commercial Corporation*

weeks ago. Of course the entire use of the funds, both capital funds and any authorized loans, is subject to treasury control.

**Mr. Fulton:** Is it not a fact that most of the expenditures in the future will be on behalf of the Department of National Defence? I have particularly in mind stock piling. Between the time we last met and the time this session convened we have seen in the press numerous references to stock piling. My understanding is that these purchases of strategic metals are made on behalf of the Department of National Defence. If not, perhaps the minister will tell us on whose behalf they are made. One feature which strikes me as being significant is this. In the balance sheet of the corporation I cannot find any place where these purchases are carried as an asset. I do not recall any provision being made in last year's estimates, either in the minister's department or in the defence department, for funds to take care of these purchases. Surely the minister does not propose that the stock piling of strategic metals should be done out of the \$10 million or \$12,500,000 which he may have authority to obtain from the consolidated revenue fund. Will that not be done by items in the estimates and not in contracts of the Canadian Commercial Corporation?

Where are these stock piles? How are these stock piles reflected in the financial figures of the dominion? Where are they carried as an asset? Are they in the corporation balance sheet or in the department concerned?

**Mr. Howe:** Stock piling is a civilian operation, and the funds will be voted by parliament. The only stock pile we are carrying at the moment is a considerable quantity of tin, purchased on the strong recommendation of the defence department. At the moment that is being financed by the Canadian Commercial Corporation. When the further estimates for the year 1948-49 are placed before parliament, as they will be in a few days, there will be an item in these estimates to cover the cost of that stock pile, and the stock pile will then appear in the books of the government as an investment.

**Mr. Fulton:** In the Department of Finance?

**Mr. Howe:** Yes. The funds of the Canadian Commercial Corporation are not for permanent investment or semi-permanent investment. They are to finance current transactions. The transactions which they are used to finance are transactions which will liquidate themselves in a matter of months.

**Mr. Fulton:** In the estimates of what department will this provision for stock piling appear?

**Mr. Howe:** It will appear in the estimates of the Department of Trade and Commerce.

**Mr. Knowles:** Just a brief word; I certainly do not intend to berate the government at length over the matter about which I spoke a moment ago; because I imagine that in view of the attention which has been called to this practice by the Auditor General, and by hon. members on the floor of parliament and in the press, it will not be repeated. I just want to say to the minister that we do not feel that his answers really explained away the abuse of power which the government has exercised in this case. The minister says that this is the practice of the trade. I remind the minister that he is a member of parliament and that it is important to follow parliamentary practices. The minister said that the government did this all through the war years under the authority of the War Measures Act. That was exactly the point that was offensive to some of us, namely, the powers which they properly exercised under the War Measures Act and which they still think they have the authority to exercise.

The minister said that it was only a technicality to which the Auditor General drew attention. That is right; it is only a technicality. I quite agree with him as to the common-sense approaches he sought to make to this whole matter, but I suggest that in parliamentary and governmental procedure technicalities are important, and I hope that the government will pay attention to the criticism which has been made in this respect.

**Mr. Howe:** I should like to say one word. I do not think my hon. friend understands yet what the technicality is. There was a vote for this equipment in the estimates of 1947-48 and also in the estimates of 1948-49. The goods were paid for partly out of the estimates of one year, and they were paid for partly out of the estimates of the next year. My hon. friend seems to think that somehow we evaded the provisions of the estimates; that we purchased without a proper provision being made in the estimates for the item. That is not so.

**Mr. Knowles:** The Auditor General thinks so.

**Mr. Howe:** No; he does not say that at all.

**Mr. Knowles:** He certainly does.

**Mr. Howe:** No.

**Mr. Knowles:** He says that amounts were charged to the votes of 1947-48 for goods and services not delivered until the next year.

**Mr. Howe:** That is true enough.

**Mr. Knowles:** I will wager that you won't do it again.