

Arsenals Limited, the Department of Trade and Commerce through one agency or another, the defence research board, and industry, probably represented in part through such agencies as the Canadian Standards Association and the Royal Canadian Ordnance Corps Association, will all be linked into cooperating groups which will enable industry to know what is likely to be expected both in peace time and in the event of an emergency, and which will enable the Canadian Commercial Corporation to know where it can get the materials, and which will enable the Department of National Defence to know that it can get the equipment and materials which are needed either in peace time or in war.

It is also intended that this organization or network of organizations will be susceptible of rapid and very great expansion and that the personnel necessary to do it will be planned and kept in touch with, so that there will be no time lag in getting the whole thing going should an emergency arise or in anticipation of an emergency. Our aim is that machinery will be ready to be used to meet the needs as they are anticipated from time to time. I can tell my hon. friend, because he is interested in this, that we are about to initiate discussions with representatives of industry having definite relationship to the kind of organization I have been describing here in general terms. It is not possible yet to go farther than that, because we want to consult with industry very frankly and to get their views before laying down lines. If that is done we hope to create an organization to enable the whole job to be done rapidly and efficiently.

Mr. GREEN: Would it not be more efficient if there were only one body doing that work rather than having it divided up between the Department of Trade and Commerce and Department of National Defence as the minister has outlined?

Mr. CLAXTON: It was not done by the defence department in war, and our thought is that it is of fundamental importance that we should maintain in peace time an independent civilian organization which is capable of being expanded to meet the needs of an emergency in war. Therefore we shall keep in existence in peace time the nucleus, for the future department, of a department of munitions and supply, should that be needed in war time.

Mr. GREEN: Why are sections 9 and 10 of the Canadian Commercial Corporation Act not made applicable to part II? These are the sections that give the right to sue the corporation.

Mr. CLAXTON: The corporation does not act under part II in its own behalf; it acts only as an agent for the crown.

Mr. FRASER: The Canadian Commercial Corporation had a \$4 million operating fund. Is any of that left, or have you had to call on the consolidated revenue fund for more money?

Mr. MacKINNON: The only amount that we have had is a working capital of \$2,500,000, which is still on hand.

Mr. FRASER: That fund will be used to operate this?

Mr. CLAXTON: No, not at all.

Mr. STIRLING: I should like to ask the Minister of National Defence whether the final inspection of the requirements of his department will rest in his hands before he accepts the results of the contract.

Mr. CLAXTON: Yes. The inspection board machinery has been transferred to the Department of National Defence. We are in process of reorganizing that on a post-war basis. I cannot make a categorical answer to my hon. friend yet. With regard to ships, aeroplanes, major weapons, projectiles, ammunition, I think the answer will be that the final inspection will be by the officials of the Department of National Defence just as it has always been. With regard to matters of a more routine nature, barrack room stores, supplies and clothing which really require the application largely of civilian standards and practice, the matter has not yet been determined whether it will be under defence or under some agency of trade and commerce.

The CHAIRMAN: The following amendment has been handed to me. Moved by Mr. Claxton:

That "An act to amend the Canadian Commercial Corporation Act" be amended as follows:

(1) Insert the following as clause one of the bill—

"1. The Canadian Commercial Corporation Act, chapter forty of the statutes of 1946, is amended by inserting the following heading immediately preceding section three thereof:

Part I"

(2) Delete lines four, five and six and substitute the following:

"2. The said Act is further amended by adding the following Part thereto:"

(3) Insert the following as clause three of the bill:

"3. The said Act is further amended by renumbering clause seventeen as clause nineteen."

(4) For "2" substitute "4" in line sixteen.

Amendment agreed to.

Sections as amended agreed to.

Bill reported, read the third time and passed.