

(2) The corporation shall retain, for the purposes of this act, all moneys received by it in the course of its business.

In other words this company is going to perform, besides its other functions, the function of purchasing for the Department of National Defence within an appropriation of \$10,000,000, plus such further moneys as it may accumulate, and plus such further moneys as it may make in the course of its business. In my humble opinion that is a denial of the right of parliament to scrutinize the expenditure of public moneys. It has been of great benefit to democratic institutions that ministers have been under the necessity of producing before parliament estimates to be passed in one year and spent in the current year and to be examined after being spent, as appears from the auditor general's report.

But what happens in this case? In the first place the crown company is financed as I have just quoted from the act. Secondly, the act itself requires that the company's annual report shall be placed in the hands of the minister for tabling in the house sixty days after the close of the fiscal year, that is sixty days after March 31 of each year. If parliament is not then sitting the minister has until fifteen days after the opening of the next session of parliament to table that report, and until that is done the members of the house have no chance of scrutinizing the moneys that have already been spent. I repeat, they have not had an estimate before them for examination, and they get no chance to analyse the expenditures of moneys until perhaps two years after the money has been spent. It will be realized that a company could intentionally, or perhaps otherwise, defer payment of accounts until after the first of April in the year 1945. The company did not have to make its annual report for tabling in parliament until sixty days after March 31, 1946, and it may not table it until fifteen days after the opening of the 1947 session. There you have the money spent by a crown corporation in effect out of unappropriated moneys, or out of money granted to them from the consolidated revenue fund before the members elected by the people of Canada have the slightest opportunity to scrutinize those expenditures. I do not think that that lends itself to the spirit of responsible government. I do not think it lends itself to the spirit of democratic institutions.

I do feel that in setting up an agent for the Minister of National Defence who must ask the Minister of Trade and Commerce to ask the office of the Canadian Commercial Corporation to procure supplies or commodities for him, we are denying to parliament the right to make a careful and critical analysis

of public expenditures. I do not think that the statement which the Minister of Trade and Commerce gave us this afternoon—the mere fact that we have some experienced men who did a good job during the war, and whom we may want to retain in the employment of the government—is sufficient to break an old and long-established custom of parliament. We should pause and consider before we pass this act, because if we do pass it today to apply only to the Department of National Defence, tomorrow the Minister of Agriculture or the Minister of Public Works may not be any more anxious than the Minister of National Defence appears to be to keep purchasing under his regime.

I do not think we are going in the right direction in this legislation, because it concerns not only the matter of purchasing but also procuring and constructing and manufacturing. If the amendment is passed we shall be authorizing the government to go into a broad and extensive sphere in competition with private enterprise.

May I read from an article which reached my desk recently, put out by the Canadian chamber of commerce, and dated June 16, 1947. I shall quote two or three paragraphs:

Release No. 16 Dominion Crown Companies

The large number of crown companies established during the last war has drawn attention to a device by which governments may invade the field of private enterprise. It has been estimated that during the war the dominion government set up over thirty corporations to engage in such varied activities as building houses, working mines, constructing and operating merchant shipping and producing synthetic rubber. Many of these government corporations have since been wound up; some still remain.

No governmental activity is so important in its implications to the business men of Canada and about none is so little known. Believing that it merits further attention and study, the research department has prepared the attached list of the existing crown companies established by the dominion before, during and after the war, with a brief statement of the functions of each. The preparation of the list has not been a simple matter but every precaution has been taken to make it complete.

The attached list will show that the device of the crown company is not a recent discovery in Canada; it was during the war, however, that it had its most rapid development and came most noticeably into competition with privately owned business.

The next paragraph is a very important one:

Many of the crown companies now in existence are engaged in activities which traditionally have been considered the province of private enterprise. All of them are subject in varying degrees to control by the government of the day, yet they are not departments of state directly responsible to parliament. They