

a tremendous material and technical contribution to the joint effort. This joint effort raises another problem, namely the distribution of available materials as between us and our allies. Now that purchases on a large scale by the British government, and probably by other governments associated with Great Britain in the struggle, are likely to be made in Canada it is advisable that there should be an authority with power to act not only for Canada but as agents for other governments if they should desire it, and in any case to coordinate the purchases of the Canadian government with those made for other governments.

Furthermore the experience of the last war has clearly shown that the problem of securing armaments and munitions cannot be separated from the general economic organization of the country. For example, if too much energy and material is thrown into the manufacture of munitions, some other industry equally essential to the national effort may be crippled. In order to prevent such a situation arising, the governmental body must have power, not merely over the production of munitions themselves, but over production of related supplies, if a proper balance is to be maintained, and the most effective use made of our varied resources.

Not only will it be necessary to coordinate the industrial production of the country in a way which would not be desirable in peace time, but it may be necessary to determine priorities in the case of certain essential materials. A Canadian supply authority must be able to divert production from one field to another as the changing circumstances of war may demand. It is essential that an organization be created which will view the problem of supply as a whole and which will have the capacity to act in whatever direction action is most urgently needed.

While the legislation which the government has introduced provides for the creation of a department of munitions and supply, it is not the intention of the government to set up a full-fledged department immediately. We are anxious to avoid unnecessary duplication of departments, and to have the benefit which will be gained from actual experience in operation of a fully authorized and competent board working to achieve the best methods of handling the complex and far reaching problems involved in respect of war supplies. We feel that the reasons for having made the defence purchasing board responsible to the Minister of Finance apply even more strongly in the case of a war supply board during the period in which an organization is being built up. The problem of finance is a vital element in the general problem of supply, and the

[Mr. Mackenzie King.]

Minister of Finance must necessarily be in close contact with whatever organization is entrusted with the responsibility of securing munitions and supplies.

No one can foretell what demands this war will make upon the country. We must be prepared to meet unexpected demands quickly. This legislation gives us the power to act quickly and effectively if the need should develop for another department with a full time minister in charge. In the earlier stages, however, it is considered that surveys, investigations, organization and administrative methods can be initiated and worked out by a board in close touch with business and practical conditions, these activities to be later continued under the board or merged in a ministry as the occasion and circumstances demand, and as the experience gained may warrant.

Mr. LAWSON: It may not be strictly in order, but perhaps the Prime Minister would permit me a question. Is it the thought that this war supply board to which the right hon. gentleman has referred is to supplant what has been previously set up as the defence purchasing board?

Mr. MACKENZIE KING: Yes.

Hon. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, when I read this bill and attempted to consider it in all its ramifications and complexities, I felt I need not discuss its provisions in detail, either on second reading or in committee. It is an elaborate effort to provide for a Department of Munitions and Supply under a minister who will have the most extensive powers ever given to a minister of the crown in Canada.

Section 6 of the bill provides that the minister shall examine into and organize the resources of Canada, the sources of supply and the agencies available for the supply of munitions of war, and supply for the execution and carrying out of defence projects, and the needs present and prospective of the government and of the community in respect thereto; and may make use of the services of any board, agency or association in carrying out the provisions of this section.

Then in the definitions section it is provided that "munitions of war" shall mean:

Arms, ammunition, implements of war, military, naval or air stores, or any articles deemed capable of being converted thereto, or made useful in the production thereof.

And the term "supplies" is defined in this way:

"Supplies" includes materials, goods, stores and articles or commodities of every kind including, but not restricting the generality of the foregoing: (i) articles which in the opinion of