

7. Section thirteen of the said Act is repealed and the following substituted therefor:—

“Munitions contract.”

“13. (1) In this section ‘munitions contract’ means a contract, including a subcontract, to manufacture, produce, finish, assemble, transport, repair, maintain, service, store or deal in munitions of war or supplies or to construct or carry out a defence project. 5

Persons producing munitions under contract to keep accounts.

(2) Every person who has entered into a munitions contract shall keep detailed accounts and records of the cost of carrying out the same and shall, on demand, produce to any person thereunto authorized by the Minister, every account, record or document of any description in respect to such contract required by such person and shall permit him to examine, audit and take copies of or extracts from the same. 10 15

On failure to keep accounts Minister may fix amount payable.

(3) If the Minister is satisfied that the accounts or records kept by a person who has entered into a munitions contract are insufficient to enable the cost of carrying out the same to be determined, the Minister may by order reduce the total amount paid and payable to such person under the contract to an amount which, in the opinion of the Minister, represents the fair and reasonable cost of carrying out the contract plus a fair and reasonable profit and the Minister may direct such person to pay to the Receiver General of Canada forthwith any amount which such person has received under the contract in excess of the amount fixed by the Minister. 20 25

Minister may direct repayment of excess profit.

(4) Where a person has entered into a munitions contract on or after the ninth day of April, nineteen hundred and forty, which provides in effect that such person shall be paid the cost of carrying out the contract or any part thereof with or without a profit or fee, or that the price or prices specified in the contract may be adjusted or reduced to an amount which represents the cost of the work or service to be carried out or rendered under the contract plus a fair and reasonable profit and any part of the work or service is carried out or rendered by any other person (in this subsection called a ‘subcontractor’), the Minister may, if he is satisfied either before or after the performance of the contract that the total amount paid and payable to the subcontractor for the work carried out or the service rendered by the subcontractor is in excess of the fair and reasonable cost thereof plus a fair and reasonable profit, by order reduce the total amount paid and payable to the subcontractor for such work or service to an amount which the Minister may fix as the fair and reasonable cost of the work or service plus a fair and reasonable profit, and he may direct the subcontractor to pay to the Receiver General of Canada forthwith any amount which he has received for the work or service in excess of the amount so fixed. 30 35 40 45 50

“Sub-contractor.”