

before the war and they will remember, and the Minister of Veterans Affairs I am sure will remember, that we had a great deal of discussion both in this house and in the public accounts committee concerning the manufacture of weapons in Canada, particularly the manufacture of the Bren gun. During the session of 1939 there was no subject of greater importance than this question of producing weapons of war. One of the main points stressed then was that there must be the closest cooperation between the defence department and industry if we were to be able to manufacture in Canada up-to-date weapons of war.

As a result of all this controversy, action was taken by the present government, in that in 1939 they brought in a statute, chapter 42 of that year, setting up what was known as the defence purchasing board. That act is described as an act to establish a defence purchasing board to control the awarding of contracts for the manufacture of defence equipment and the construction of defence projects, to limit costs—my hon. friends of the C.C.F. will remember the stand they took on the question of limiting costs—and control profits in respect of such contracts, and to authorize the raising by way of loans of certain sums of money for such purposes.

By the way, this defence purchasing board was not a crown company; it was merely a board set up under two departments, the Department of National Defence and the Department of Finance. As I read the act, and as I recall the discussion, the underlying plan was that there should be a joint control by the Department of National Defence and the Department of Finance. The first mentioned department had the responsibility of getting modern equipment, and the Department of Finance had the responsibility of seeing that that equipment was purchased at a proper price, and checking on the expenditures. It was called the Defence Purchases Profits Control and Financing Act. That act should be carefully considered, and I am going to mention some of its provisions.

For example, the chairman of the board was made ex-officio a member of the defence council of the Department of National Defence, and of course there is no provision in the bill now before us that even remotely resembles that provision. Then the board was given various powers, and it is interesting to read some of them. For example, this defence purchasing board was given the power to inquire into the requirements, whether actual or anticipated, of the Department of National Defence for defence equipment or for defence projects, the specifications thereof and the

reasons therefor; also to inquire into the quantities of defence equipment already in the possession of the government or contracted for but not yet delivered.

There was power, further, to cooperate with the Minister of National Defence in surveying industrial plants which might have facilities for providing defence equipment required by the department, and that was the most important function because it enabled this board to keep in touch with industry and to make certain that there were industries in a position to manufacture weapons of war. Further, there was the power to prepare and keep up to date lists of sources of supply for defence equipment. They were given free access at all times to all relevant records, documents and papers of the Department of National Defence. They were given the power to require any officer or employee of the Department of National Defence to furnish the board any information he might have with regard to any of the matters falling within the scope of the duties of the board.

This defence purchasing board was given very wide powers, and provision was made in the act to limit profits. As I remember, there was a limitation of five per cent on profits. All these details were carefully placed in this act which set up the defence purchasing board. That was in 1939 and the act was proclaimed on July 14, 1939. A few weeks after that the Germans struck and Canada went to war. In the fall of 1939, at the short session, an act was brought in, chapter 3 of that session, setting up the Department of Munitions and Supply, which took over the powers of the defence purchasing board. There were further amendments from time to time giving the Department of Munitions and Supply additional powers. For example, in 1940, chapter 31 of that session, we find this provision in section 7:

The minister,—

That is, the Minister of Munitions and Supply.

The minister, exclusively,—

That is a very strong word to use in an act of this kind.

—may buy or otherwise acquire, manufacture or otherwise produce, munitions of war or supplies and construct or carry out defence projects required by the Department of National Defence.

There are exceptions, but very wide power was given the Department of Munitions and Supply, and I would point out that this was the main job of the Department of Munitions and Supply throughout the war. It was set up for that very purpose, to procure weapons and