

That reference will be found in Mr. Lloyd George's Memoirs, volume 1, page 258. He also stated:

It requires some effort to envisage the wide range of our task. Few people would at the outset imagine how much is covered by the phrase "munitions of war" or dream of the colossal ramifications of the industries concerned in their production.

That will be found on pages 269 and 270 of the Memoirs. Mr. Lloyd George also stated:

Most of the special steps that were taken after the formation of the Ministry of Munitions to stimulate production could equally well have been taken in 1914. It was to those special steps that the greatly accelerated yield on account of outstanding war office orders in the latter part of 1915 as well as the immense augmentation of output in 1916 on direct orders of the ministry was mainly due.

That will be found at page 269 of the Memoirs.

The government is determined to avoid if at all possible similar consequences flowing from any delay in setting up effective machinery in Canada to meet the urgent demand inseparable from modern war for munitions and supplies. It is for these reasons that we are asking parliament to give us authority to set up a new and comprehensive department with far-reaching powers. Hon. members will recall that following upon the commission established in 1915 for war purchasing, the war trade board was established in 1918, both under the authority of the War Measures Act. We intend to take at once measures which were found necessary as the result of experience gained after the war of 1914-18 had been in progress for some time. We propose to establish at once under the provisions of the War Measures Act a war supply board responsible to the Minister of Finance with comprehensive powers similar in character to those being asked for in this bill.

At the same time, as the result of legislation being asked for in this bill, the government will have in reserve the authority to create at any moment a separate department of munitions and supply. The new department, if it becomes necessary, will have the advantage of the experience and organization which the activities of the war supply board will have made available. At the last session of parliament we established a defence purchasing board. That was in a time of peace. This is a time of war. Hon. members will recall that at the time the defence purchasing board was set up the Minister of National Defence (Mr. Mackenzie), in reply to a specific question, said:

The answer is this, that this is a measure for peace time, and I trust that it will long be used for that purpose. If an emergency arises, doubtless other measures will be enacted immediately to deal with the emergency.

That quotation will be found at page 2134 of *Hansard* for this year.

The main concern at that time was to ensure that there should be no profiteering incidental to preparations for defence. The then Minister of Finance (Mr. Dunning) envisaged different methods for controlling profits in the event of war. In the same debate he said:

And of course if—God forbid—war should come and we have to consider the results of war inflation of one kind and another, outside of this measure altogether we shall have to evolve schemes for profit control which will apply not only on purchases by the Department of National Defence. I think there is no doubt we would come to that.

That is to be found in *Hansard* for March 29 of this year, at page 2591.

I hope I have already made it abundantly clear that the attitude of the government to-day is just as firm in that respect, and if anything more were needed to show our firmness the tax proposals in the budget speech should leave no room for doubt on this score. What we do want to ensure is that the procedure for which there might have been time in days of peace does not hamper and slow up the meeting of urgent needs in the present situation, when the saving of time may mean the saving of lives. The war supply board will be so constituted as to function speedily and effectively in the matter of purchases. But this problem is no longer confined to the purchase of day to day requirements on a comparatively limited scale. The problem is now broadened to include planning not only for months but perhaps for years ahead. Further than that, it includes the whole question of the supply of materials of all kinds directly or indirectly necessary for the prosecution of the struggle. It involves the investigation of sources of supply of many commodities, not only those produced in Canada but those which must be obtained abroad; also the working out of measures to conserve essential supplies here which otherwise might be exported, and the ascertaining of capacities and capabilities of plants and businesses for producing or supplying essential needs.

Equally important is the endeavour which must be made to ascertain and forecast not only present but prospective needs, and to take steps to see that supplies will be conserved or obtained to fill these needs from time to time. The experience of the last war revealed clearly that staying power, the effective use of economic resources, was the decisive factor. It is but a commonplace to say that in modern war economic defence is as vital as military defence. Canada's geographical situation especially fits her to make