

*Defence Purchasing Board*

it should be created within the department. The master general of the ordnance should be directly connected with, if not actually the chairman of, this board; the minister would then be directly responsible. That would be better than to create a somewhat independent board, which apparently is to report its findings to the Minister of Finance, who reports to the cabinet. Why should not the board report directly to the Minister of National Defence?

I am sure that many hon. members feel as I do in this matter. If I were the minister of national defence I would consider it somewhat of a slight on myself if a board, a creature of my department, were to report to another minister of the crown. Probably the present minister does not feel that way; he is happy in his surroundings and knows cabinet and ministerial procedure far better than I. But that is how I should feel personally, and that is why I am expressing this point of view. I should want to be responsible for everything that took place within my department. I should not want any body under me reporting to another minister of the crown, who would then report to the cabinet.

Is there anything of this kind in Great Britain? If there is a board of this nature, to whom does it report, or to whom is it responsible?

Mr. MACKENZIE (Vancouver): The procedure is the same as we are adopting here. All financial contracts entered into in Great Britain are subject to treasury supervision. This is the principle we are endeavouring to establish by this legislation.

Mr. WALSH: Is the board in England an independent board reporting directly to the chancellor of the exchequer or the treasury board, or does it report to the minister of war or the head of the department for which it is making purchases?

Mr. MACKENZIE (Vancouver): As far as my information goes, there is no separate board in Great Britain. I think it is all done by the director of munitions contracts who reports to the treasury officials.

Mr. CAHAN: In England they have a contract branch in the war department which makes the contracts. These contracts are reported to the treasury board. Within certain limits they are under the supervision of the treasury. Here any department making a contract must keep within the limits prescribed by statute, and, to a certain extent, as prescribed or suggested by the finance department. I do not know that it makes

[Mr. Walsh.]

very much difference, but I should like to suggest the following wording for the proposed amendment:

It shall be the duty of the board to adopt such measures as it shall deem necessary to ensure that contracts entered into pursuant to the provisions of this part shall be performed in accordance with their respective terms.

There is a slight difference in wording, but I think it is more emphatic.

Mr. DUNNING: It is a matter of draftsmanship.

Mr. CAHAN: I know something about the supervision of contracts of the kind. It requires a large staff of inspectors and there must be careful supervision to see that proper inspection is made before a contract is deemed to be fully performed.

Mr. STIRLING: I come back to the point I made before. It seems to me it would be a good thing to ensure that the technical officers of the department come in on this inspection work, if for one reason only. It would keep them *au fait* with the details of either the production of the munitions or the erection of the plant. It does not matter to me whether this is done by an addendum to this section 6 or by adding another clause to section 8. One can visualize the possibility of friction arising between this board and the department. If these contracts are carried out without inspection by the technical officers of the department they will not be nearly so well informed as to the product of which they are going to make use as they would be if it were produced under their supervision.

Mr. MACKENZIE (Vancouver): I just want to repeat the assurance I gave before. I think the amended section 6, along with the last subsection of section 8, will prove quite ample to carry out what the hon. member has in mind.

Mr. DUNNING: I move that the amendment be adopted in the terms suggested by the hon. member for St. Lawrence-St. George (Mr. Cahan):

That section 6 of the bill be struck out and the following substituted therefor:

"6. It shall be the duty of the board to adopt such measures as it shall deem necessary to ensure that contracts entered into pursuant to the provisions of this part shall be performed in accordance with their respective terms.

Amendment agreed to.

Section as amended agreed to.

Mr. MACKENZIE (Vancouver): We will leave section 7 for the moment. The other