

very significant observations which bear directly on the proposal now being made by the Government. In a speech at Manchester, while organizing the Ministry of Munitions, he had this to say of its purpose:

We want to mobilize in such a way as to produce in the shortest space of time the greatest quantity of the best and most efficient war material. That means victory; it means a great saving of national strength and resources, for it shortens the war; it means an enormous saving of life. . . .

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. . . .

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.

The Government are determined to avoid, if at all possible, the consequences that would flow 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 this reason that we are asking Parliament to give us authority to set up a new and comprehensive department with far-reaching powers.

Honourable members will recall that in 1915 a War Purchasing Commission was established, and in 1918 a War Trade Board, 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 intend 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 to those contained in this Bill. As a result of the legislation now proposed, 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. Honourable members will recall that at the time the Defence Purchasing Board was set up the Minister of National Defence said in reply to a specific question:

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.

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

I hope I have already made it abundantly clear that the attitude of the Government today 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 may 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 the 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, as well, 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 also prospective needs, and to see that supplies shall 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 particular geographical situa-