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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 situation especially fits her to make a tremendous material and technical contribution to the joint effort.

This joint effort raises another problem, namely, the distribution of available materials as between us and our Allies. Now that purchases on a large scale by the British Government, and probably by other governments associated with Great Britain in the struggle, are likely to be made in Canada, it is advisable that there should be an authority with power to act not only for Canada but also as agents for other governments if they should desire it, and in any case to co-ordinate the purchases of the Canadian Government with those made for other governments.

While the legislation which the Government have introduced provides for the creation of a Department of Munitions and Supply, it is not the intention of the Government to set up a full-fledged department immediately. We are desirous of avoiding unnecessary duplication of departments, and of having the preliminary benefit gained from actual experience of a fully authorized and competent board, working to achieve the best methods of handling the complex and far-reaching problems involved in respect of war supplies.

We feel that the reasons for having made the Defence Purchasing Board responsible to the Minister of Finance apply even more strongly in the case of a War Supply Board during the period in which an organization is being built up. The problem of finance is a vital element in the general problem of supply, and the Minister of Finance must necessarily be in close contact with whatever organization is entrusted with the responsibility of securing munitions and supply.

No one can foretell what demands this war will make upon the country. We must be prepared to meet unexpected demands quickly. This legislation gives us the power to act quickly and effectively if the need should develop for another department with a full-time Minister in charge. It is considered, however, that in the early stages surveys, investigations, organization and administrative methods can be initiated and worked out by a Board in close touch with business and practical conditions, these activities to be later

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