

*Defence Production Act*

and that was my experience in buying for our defence procurement during the years when I had no act to support me.

The minister puts that forward as a reason for the need for these powers. What does he want to buy that he cannot procure? I have been looking at the Defence Production Act to see what kind of things are mentioned there. We all know in a general way what kind of things are essential to defence. Although we do not know the details of modern weapons, we do know in a general way what is needed and what prospects there are of procuring them on a normal basis of purchase without having to advance upon the supplier with the payment in one hand and a big stick in the other. Really that is the proposition the minister puts forward, that he and his department cannot obtain the supplies they need on the basis of free trade in the open market. He must have a club with which he can belt the supplier if he is not prepared to deal.

Now, what is it the government needs to obtain through this department? There are a great many elements that enter into defence, in fact defence could cover everything that is the subject of commerce. If one considers the definition in the act in its broadest terms, one finds it covers articles of all kinds. In these days perhaps even cosmetics would be covered as a necessary part of defence supplies because we now have women in the armed services. However, the main items are such things as ships. Under this government our shipping has gotten into such a condition that many ships are fleeing Canadian registry. We have a very small merchant marine left. There is no inducement to the ship owner to build for profit in this country, so the shipyards are only too ready to supply the government with such ships as may be needed. In my opinion there is no case made out for any problem in securing such ships as are required for defence.

Then, we come to the next item, motor vehicles. I do not think the minister suggests that the Department of Defence Production cannot be supplied with all the motor vehicles the industry is capable of making. The industry is only too ready and willing to supply such vehicles. Aircraft are in a different category because for the most part the aircraft industry seems to be dependent on government orders. There is no possibility of a sufficient volume of private sales to maintain an independent aircraft industry. Surely, however, there is no need to do more than has been done in the normal process of subsidization and other processes which have been used with such great corporations as Avro. Incidentally, this morning I saw an announcement that Avro was purchasing all

[Mr. Michener.]

the stock of Canadian Car. We shall have, therefore, one great concern that will comprise the main source of aircraft and engine supplies for the Department of Defence Production. It does not strike one, at least from the outside, and the minister has not given any convincing proof from the inside, that there is any real necessity for more than the normal processes of commerce to secure this kind of equipment.

I believe the same remarks apply to electronics in this country. They are an important element, but there are a great many manufacturers who would be only too ready to make a profit on a government contract. There is no need to do more than offer them contracts to get the materials that are needed. In so far as textiles are concerned, we all know that the textile manufacturers, like the shipbuilders, are in such a condition today they would welcome substantial contracts to keep them in employment. There is no need to hold a stick over the head of any textile manufacturer in this country today to get him to accept an order. The same is true in connection with the production of metals. The mines of the country are all operating as freely as they can. Even the uranium supply, which is beginning to flow out of our Canadian mines, apparently is not much needed in Canada at the moment. It can be secured if it is needed; but as I understand it, a government agency is purchasing most if not all of the uranium for American account.

As I say, there is no problem in connection with getting metals, even uranium. And certainly the same applies to food, so far as it enters into defence. We have surpluses which have been a problem to the minister in his other capacities.

**Mr. Howe (Port Arthur):** May I ask the hon. member a question? If there is no problem, then why have the Department of Defence Production?

**Mr. Michener:** I recognize that these things have to be procured as required by some agency. To my mind the Department of Defence Production has two functions, one of which is simply that of purchasing or to get the materials needed. The other is the function of developing new types of defence materials according to specifications of defence research. And perhaps there is a third function, that of retaining the capacity to produce in wartime those things which are not normally produced in quantity in peacetime.

But none of these things involves anything more than the willingness of the government to pay. It is clear that parliament is prepared to pay for what is needed for defence purposes. The defence estimates have been