

was rather severe in my criticism of the present Minister of National Defence and of his department, and I was sincere in that criticism, but I do not think the means being adopted in this bill will meet the real objections that I had to procedures that have been followed in the Department of National Defence in the past year or two.

We cherish our democratic institutions, and I submit that this is a decided departure from those institutions. We are creating something here that is not a part of our social and economic fabric as we have endeavoured to develop it during the past fifty or one hundred years. This board is being given certain powers which I think should rest with the Minister of National Defence, with his department and with the government. I am speaking now as an individual member; I know many of those on my own side of the house will not agree with what I am saying. But I am a firm believer in democratic principles in government, and in the responsibility of ministers of the crown in the administration of their departments, and I feel that to transfer powers such as these from the minister and his department to this board will make it more difficult for members of parliament effectively to represent their constituencies. I do not know whether I am right or wrong in that, but that is how I feel. I have discussed this matter with other members on both sides of the house, and have found that there are members who feel very much as I do. Probably they will not express themselves as I have, perhaps I am wrong in so doing, but I have had this growing conviction and I feel that I should give utterance to it while the bill is going through. I understand that section 7 has been passed, but if you will refer to it you will notice that one of the powers given to this board—

Mr. MACKENZIE (Vancouver): We are coming back to section 7 later.

Mr. WALSH: I will mention this in passing in order to avoid the necessity of rising later on; I do not like to take part too frequently in the discussion in the house nor do I wish to delay measures which are going through. Section 7 refers to the five per cent profit on the average amount of capital employed in the performance of the contract. That is one responsibility we are placing on this board; it has to decide the amount of capital employed, in connection with which there are bound to be differences of opinion. The board is to be clothed with certain authority to decide. In the first place—I know I will be condemned by many hon.

members for saying this—I do not think the wheels of industry in this country can turn on five per cent per annum. I am thoroughly convinced of that; and I do not think it is fair to ask industry to operate effectively on five per cent per annum.

Mr. HEAPS: What should they get?

Mr. WALSH: A reasonable profit.

Mr. HEAPS: What is a reasonable profit?

Mr. WALSH: What they are making from day to day in business. If my hon. friend has been in business, or knows anything about business, he knows what is a reasonable profit.

Mr. LANDERYOU: Are the farmers making five per cent?

Mr. WALSH: The farmers are making five per cent, ten per cent and twenty per cent as and when they can make it, the same as business does.

Some hon. MEMBERS: No.

Mr. WALSH: If you take the average for a period of ten or fifteen years you will find that the farmer makes as much profit on his investment and his work as business has made during the past ten or fifteen years.

Some hon. MEMBERS: Read the records.

Mr. WALSH: The records are there. We have heard so much in this house about the farmers, particularly the farmers of the west—

The CHAIRMAN: I am afraid the hon. member is getting out of order.

Mr. WALSH: I know, Mr. Chairman, I was led out of order. I should like an opportunity to discuss farmers and business some day.

The CHAIRMAN: I am sorry, but not under this section.

Mr. WALSH: Very well. I just want to emphasize to the minister that we are departing from democratic principles; we are departing from the responsibility of the crown and the responsibility of ministers. Then in connection with section 7 I wanted to raise my voice in protest against limiting the profit to five per cent. I do not think it is sufficient to permit industry to carry on effectively and give the work we expect it to give those who are employed.

Mr. DUNNING: I should like to say just a word with respect to that portion of the hon. member's remarks which bear upon the section now under discussion. At the moment I need not refer to what he said in regard to section 7; we can leave that until we reach