

*Copies sent per annexed list 10 May 1915
to External Affairs 21 June 1915*

The Committee of the Privy Council have had before them a report, dated 4th May, 1915, from the Right Honourable the Prime Minister, directing attention to the provisions of the War Appropriation Act, 1915, which set out that in addition to the ordinary grants of Parliament a sum not exceeding one hundred million dollars (\$100,000,000) may be paid and applied towards defraying the expenses incurred by and under the authority of the Governor in Council during the year ending March 31st, 1916, in the conduct of the military and other operations undertaken by Canada, arising out of the European war now in progress.

In view of the special and extraordinary expenditures entailed by these operations, the Prime Minister submits that it is in the public interest that a Commission be appointed, composed of persons of experience in the conduct of business affairs, who, under the authority of and responsible to the Governor in Council, shall control the making of contracts in connection with such expenditures and perform such other functions as are hereinafter set out.

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The Prime Minister, therefore, recommends that a Commission be appointed and that the constitution, powers, duties and regulations under which the Commission shall act shall be as follows:-

1. The Commission shall be known as the War Purchasing Commission and shall consist of three honorary members appointed by the Governor in Council. There shall be a Secretary to the Commission appointed by the Governor in Council upon the recommendation of the Commission at a salary approved by the Governor in Council.

2. The concurrence of at least two of its members shall be necessary for the execution of any act by the Commission, and the act of two of its members shall be deemed to be the act of the Commission.

3. All purchases of clothing, equipment, arms, guns, ammunition, horses, munitions and materials of war and supplies of every kind, and all contracts for such purchases, and all contracts for transportation, payable out of the funds appropriated by the War Appropriation Act, 1915, or out of the funds appropriated by any other Act for the purposes enumerated in the War Appropriation Act, 1915, shall be made by the Commission or made under its direction and control, and the Commission is hereby empowered on behalf of the Government to make such purchases and to enter into or to direct and control the making of such contracts.

4. The Commission shall on behalf of the Government enter into and direct all purchases of supplies and munitions of war which the Government may undertake for the British or any allied Government, excepting such purchases as fall within the scope of the functions of the Shell Committee.

5. Before any such contract as is mentioned in Paragraph 3 hereof is made, authority for expenditures out of money appropriated by the War Appropriation Act, 1915, or any Act appropriating money for the purposes for which expenditures can be made under that Act, must be given by Order in Council in accordance with the said Act. This authority may be a general authority for making expenditures necessary to effect any of the purposes authorized by the Act or it may be a specific authority approving of the making of certain purchases; and all Orders in Council hereafter passed granting such authority shall be on the recommendation of the Prime Minister, based upon the report, concurred in by the Commission, of the Department concerned.

6. No contract shall be made by the Commission or under its authority except upon requisitions made upon the Commission by the Department concerned. Such requisition shall refer to the Order in Council authorizing the expenditure called for by the requisition and shall state with particularity (a) the articles and materials needed, the quantity and description thereof and the time and place of delivery; (b) the nature of the

service

service to be contracted for. The Commission shall have no authority to change or vary such requisition, but may in respect thereof make through the Prime Minister to the Governor in Council such representations as it sees fit.

7. In respect of all contracts to be made by the Commission or to be entered into on its behalf, the following regulations shall obtain as far as practicable:

- (a) Tenders shall be called for;
- (b) Purchases shall be made and contracts given at the lowest price offered.

These regulations may be departed from only in cases of urgency due to military considerations of the moment or for other good and sufficient reason, and in any such case the grounds of the departure shall be clearly recorded.

8. If the contract is entered into by the Commission directly, or by any one on its behalf other than the officers of the Department concerned, the contract and all particulars thereof shall be communicated forthwith to the Department concerned. It shall be the duty of the Officers of the Department concerned, subject to the supervision of the Commission, to see that all contracts made under the authority of Paragraph 3 hereof are performed in accordance with the respective terms of such contracts.

9. The Commission may make enquiry as to the quantities of military and naval stores and other munitions and materials of war in the possession of

the Government, the respective quantities or number of the like contracted for and not delivered, as well as the probable needs in the immediate future for all such stores, munitions and materials.

10. The Commission may, on the authority of and at a rate of remuneration approved by the Governor in Council, employ such expert assistants as may by the Commission be deemed necessary, in order that complete information in reference to the matters mentioned in Paragraph 9 may at all times be available, and such assistants may be employed by the Commission to revise and perfect methods of keeping records in regard thereto for the use of the Commission and the Departments concerned.

11. It shall be the duty of the Departments concerned and of all officers and employees of the Government to afford to the Commission all possible information in regard to any of the matters falling within the scope of the duties and powers of the Commission as herein set out and to co-operate with the Commission in the performance of such duties and the exercise of such powers whenever required by the Commission.

12. All relevant Departmental and other records, documents and papers shall be placed at the disposal of the Commission.

13. The Commission may make report to the Prime Minister from time to time in reference to any matter within the scope of its duties as herein outlined, with any

recommendations

recommendations the Commission may see fit to make; and the Governor in Council and the Prime Minister may require from the Commission a report in regard to any of such matters.

14. The Commission shall keep a systematic record of all its transactions.

15. The Commission shall be furnished with such office accommodation as may be necessary and may employ such number of officers, clerks and servants, at such rates of remuneration, not exceeding amounts named, as the Governor in Council may approve.

16. The members of the Commission shall be entitled to be reimbursed all travelling expenses and to be paid a living allowance of ten dollars per diem while actually engaged in the work of the Commission.

17. All salaries, wages and other expenditures incurred under the authority hereof shall be payable out of moneys appropriated by the War Appropriation Act, 1915, or any Act appropriating moneys for the purposes mentioned in that Act.

18. The following shall be the members of the Commission:

The Honourable Albert Edward Kemp, of Toronto; George Frederick Galt, Esquire, of Winnipeg; and Hormisdas Laporte, Esquire, of Montreal.

The first named shall be Chairman.

19. All purchases of supplies and articles mentioned in the third paragraph hereof made out of the said appropriation before the passing of this Minute and all Contracts therefor shall be examined and reported upon by the said Commission.

The Committee concur in the foregoing and submit the same for approval.

George E. Foster

Approved
Boothman
May 8. 1915



PC 1033 (a)

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Copies sent as follows 10th May 1915.

Minister of Finance and
H.T.Ross, Finance Dept.

Hon. A.E.Kemp (6 copies)

Minister Militia and Defence and
To Deputy Minister of Militia and Defence

Minister of Naval Service and
To Deputy Minister of Naval Service

Minister of Trade and Commerce

Minister of Agriculture and
To Deputy Minister of Agriculture

Minister of Justice and
To Deputy Minister of Justice.

Auditor General 20 May