

*Reconstruction and Supply*

Mr. BLACKMORE: I did not hear the minister.

Mr. HOWE: The hon. member for Rose-dale likes to think that any enterprise operated by the government is a burden on the taxpayer, and I was saying that we have a few that are a benefit to the taxpayer.

Mr. JACKMAN: The imputation was the minister's, not mine. I simply asked how many were virtually on the government payroll through working for government-owned corporations. I should like to have an approximate figure, if the government has it, of how many people are employed in crown companies under his jurisdiction through the operation of these two departments.

Mr. HOWE: I cannot say. There are 800 on the payroll of Polymer and approximately 3,000 on the payroll of Research Enterprises, at the moment. Does he want me to give him the number of workmen working on war-time houses?

Mr. JACKMAN: Yes, I should like to have them.

Mr. HOWE: I do not know what it is. They are all employed by contractors. I cannot say how many employees there are.

Mr. JACKMAN: By independent contractors?

Mr. HOWE: Yes. Wartime Housing does not do any building itself. As far as Allied War Supplies goes, there would be, I should think, at least 3,000 employees in all its various activities. That gives a rough idea.

Mr. MacNICOL: The minister said a moment ago that a number of these crown companies are paying some returns to the taxpayer. I want to pass just one word of comment on that, because the other night, in reference to Polymer, he intimated that it was breaking even as far as costs of operation are concerned. Surely he does not mean to tell the committee that the investment in Polymer is paying anything to the country.

Mr. HOWE: Oh, yes.

Mr. MacNICOL: Oh, no; the minister knows better than that. We have \$50 million in it. It is not paying any return to the country. But, forgetting about the investment, I think the company is producing rubber at a reasonable price and maybe is having something ahead. Will the minister say now that the company is making a return on its investment of \$50 million?

Mr. HOWE: Well, the war-time investment was \$50 million, but it hardly represents that investment as a peace-time plant. The

[Mr. Howe.]

peace-time value is capitalized at \$27 million, and it is paying at least bank interest on that, plus a profit.

Mr. MacNICOL: I am not going to argue that point. As \$50 million of the country's money has shrunk to \$27 million, we have already lost \$23 million, so that is not a very profitable venture for the country, although I hope it will be in the end. But I do not like to see the minister, who is a businessman, trying to tell other businessmen that at \$50 million it is a business proposition to-day, which it is not.

Mr. NICHOLSON: Why did business enterprise not build Polymer?

Mr. MacNICOL: My hon. friend is asking a silly question. Businessmen would not do that. In the first place they would not have \$50 million to place in a plant; and when they manufactured rubber articles they brought crude rubber from Malaya and elsewhere. This is a wartime measure. Businessmen try to run things in a business way. I was in business for many years, and I could not make investments which did not yield any returns. However, that is not what I rose to say.

I am interested in what the minister said about the purchasing department. Is it not getting near the time when this country should have a purchasing organization covering every department? Are we to continue with each department having its own purchasing unit? Huge businesses employing from twenty-five to thirty thousand men have one purchasing department; they have not purchasing branches in every hole and corner of the plant, have they? No, they have not. Their purchasing department consists of experts who know how to buy. I should be sorry to see this department set up a big purchasing organization of its own. I hope the minister will not allow it to absorb a whole lot of employees who would be retained unnecessarily. I had hoped, now that the war is over, that the vast number of employees in the munitions department would be reduced to a very small number. Certainly the reconstruction department will not require any more office employees than an equally big private business, say the New York Central railroad or some other big corporation. Pressure will have to be exerted against filling up the department with unnecessary employees. Certainly the munitions department should be greatly reduced in numbers. The office employees who during the war filled the large number of buildings occupied by this department could surely be reduced to, say 10 per cent of their former numbers.