

2. What investments have been liquidated as at 15 May, 1946, and what amounts were received for each individual category of asset as named above and to whom were the sales made?

You will note that part of the question refers to an Appendix in the Votes and Proceedings of April 10, 1945, on Government-financed Expansion of Industrial Capacity in Canada as at December 31, 1944, and asks for the same information as at May 15, 1946. This information is not available as of May 15, 1946, but I now have it available as at December 31, 1945, and I enclose herewith a statement entitled, "Government-Financed Expansion of Industrial Capacity in Canada, as at December 31, 1945", in answer to part 1 of the question.

With respect to part 2 of the question, it is impossible to answer this exactly as asked, as much of the plant equipment loses its identity once it is declared surplus to War Assets Corporation.

As to the real estate declared surplus, the information on the sale of these plants is, of course, available, and has already been given in Committee.

Yours very truly,

GEORGE J. McILRAITH,
Parliamentary Assistant to the Minister.

GJM:MM

Enc.

CANADA

DEPARTMENT OF RECONSTRUCTION AND SUPPLY

Right Honourable C. D. HOWE, *Minister* V. W. SCULLY, *Deputy Minister*

GOVERNMENT-FINANCED EXPANSION OF INDUSTRIAL CAPACITY
IN CANADA AS AT DECEMBER 31, 1945

Economic Research Branch,
Department of Reconstruction
and Supply.

July 25, 1946

PREFACE

As at December 31, 1945, the Department of Reconstruction and Supply and its predecessors had made investments in war production facilities and other fixed assets, valued at approximately \$790,000,000. This amount represents the original value of the investment, and therefore includes the value of assets that have been, or remain to be, sold by War Assets Corporation. However, in making comparisons with previous statements it should be noted that adjustments have been made to cover transfers from capital to production account. Such transfers include the cost of jigs and other special equipment constructed for the purpose of executing specific contracts.

All disbursements shown in this report were made for the account of the Canadian Government, with the exception of certain miscellaneous investments aggregating about \$7,000,000 in value. These miscellaneous investments were made by the United Kingdom Government and were not transferred to the Canadian Government on March 31, 1943, when ownership and control of United Kingdom investments in war plants in Canada were transferred to the Canadian Government.

The expenditures of \$790,000,000 may be summarized as follows:—

1. An investment aggregating about \$527,000,000 was made in land, buildings and other construction, and equipment, in connection with the erection of new war production plants and extensions to pre-war plants