

great as that which has been collected so far, but it will run into many millions of dollars.

Subsection 1 widens the definition of "supply contracts" and brings all war contracts, whether prime contracts or subcontracts, into the scope of renegotiation.

Subsection 2 reenacts the provisions of the present subsection and provides that the accounts and records relating to the contractor's other business may be examined.

Subsection 3 replaces the present subsections 4 and 5.

Subsection 4 permits renegotiation by groups of contracts or by periods of time.

Subsection 5 provides for the determination of the amount of the non-war business as incident to renegotiation of supply contracts by periods of time.

Subsection 5A replaces the present subsection 3 and provides that if the minister is satisfied that the accounts and records do not disclose a fair and reasonable cost he shall not be limited or bound by such accounts and records. It should be pointed out that the amendments to the present section do not establish any change in policy, and it is proposed to deal with those who have yet to be renegotiated on the same broad basis as has been used in the cases already settled.

Subsections 6 to 1, inclusive of the present section which provides for appeals against, and enforcement of, orders and directives made by the minister under the section, remain unchanged.

Section 12 replaces subsections 1 and 3 of the present section 22, and is intended to remove certain difficulties of interpretation which had been raised under the present section 22.

The new subsection 1 is intended to make it clear that any matter relating to any dealings in or with munitions of war or supplies may be investigated.

The new subsection 3 specifies the powers to be conferred upon an investigator by reference to the appropriate sections of the Inquiries Act, and contains provision for the obtaining of evidence by search. Similar provisions are embodied in the wartime prices and trade regulations, and the wartime industries control board regulations.

Regarding the repeal of former acts and the commencement of the new act, subsection 1 provides for the repeal of the organization sections of the acts establishing the old departments. Subsection 2 is designed to permit employees of the old departments who are eligible for annual leave to be granted such leave after the date fixed for the com-

mencement of the new department, where such employees are not transferred to the staff of the new department. It is designed also to permit employees of the old departments, who may be responsible for completing reports of the activities of different branches thereof, to continue to function to such extent as may be necessary to enable reports to be brought down to the date of the actual dissolution of the old departments. The maximum period of extended employment is sixty days plus any period of leave of absence for which an employee might be eligible.

Section 14 is the usual provision dealing with the proclamation of a statute.

My statement is intended to give hon. members advance notice of the matters which will be dealt with in the bill which will be introduced on the passage of this resolution. Perhaps it will facilitate discussion of the bill at a later sitting.

Mr. MacNICOL: Mr. Chairman, if I understood the minister correctly, and I may not have understood him, this is a revolutionary bill. I could not possibly support any such measures as this in peace time. During the war the minister was given a free hand and did a very good job, but we cannot agree to this in any shape, manner or form now that the war is over and we are at peace. Did I understand the minister to say that the department would have the right to give contracts for works of one kind and another?

Mr. HOWE: Yes.

Mr. MacNICOL: Then I am 100 per cent opposed to it. I am absolutely and wholly 100 per cent opposed to any department having the right to engage men and carry on jobs. Is my understanding correct that the department can carry on jobs?

Mr. HOWE: All that is being asked is the right to make contracts under the authority of the governor in council and to disburse appropriations made by this parliament. All departments of government have that authority. This is nothing new. The work of the Department of Munitions and Supply was restricted to contracts for war supplies and war purposes. The Department of Reconstruction has no special authority allowing it to place contracts. However, it is quite conceivable that in connection with the work of reconstruction the department will be called upon to place contracts on behalf of the government, as it has in the past placed contracts for war purposes. The purpose of the bill is to give us that authority whether it is ever exercised or not.