

ing should be undertaken, as a means of holding the situation until private enterprise can take over the low-rental field. The co-operation of the municipal authority has been sought in each case, and it is the responsibility of that authority to select the lots for the houses. I should say that a request from the municipality must be received before Wartime Housing will take action. There have been built, or are building, some seven thousand houses for veterans in the following cities: Vancouver, Victoria, Kamloops, Kelowna, Penticton, Edmonton, Calgary, Lethbridge, Regina, Moose Jaw, Saskatoon, Prince Albert, Winnipeg, St. Boniface, St. James, Transcona, Brantford, Cornwall, Fort William, Hamilton, London, Oshawa, Ottawa, Owen Sound, Peterborough, Port Arthur, Sarnia, Sault Ste. Marie, Toronto, Windsor, Hull, Quebec, Montreal, Saint John and Halifax. The amount asked for in this item will be required to meet the cost of this housing programme.

Item No. 4—Miscellaneous property. The department throughout the war years has had to acquire physical properties of various kinds. Of the amount asked for in this item \$1,750,000 is earmarked for four Lancaster transport planes now building for use in the Canadian government transatlantic air service operated by Trans-Canada Air Lines.

Item No. 5—Production subsidies and other miscellaneous war expenses. This amount is our estimate of requirements for subsidies to be paid by the emergency coal production board and outstanding payments on other production subsidies, for which commitment was made prior to September 1.

Item No. 6—Termination of contracts. During the war years, the payment of costs incidental to the cancellation of contracts was the responsibility of the requisitioning agency. In anticipation of the heavy volume of such claims which would occur with the end of hostilities, and in order to expedite settlement of these claims, it was decided to establish a special board under the Department of Munitions and Supply, to be known as the contract settlement board. This board has full responsibility for dealing with claims arising out of the termination of contracts. The contract settlement board will also deal with claims arising out of cancellation of contracts placed on behalf of the mutual aid board. Our best estimate of the amount required to settle cancellation costs on contracts placed by the Department of Munitions and Supply and the mutual aid board for the fiscal year is \$175,000,000. Of this amount, \$4,546,625 was spent prior to September 1. However, I

[Mr. Howe.]

must remind the committee that no accurate estimate of these costs can be made until all claims have been considered and settled by the contract settlement board.

Item No. 7—Departmental administration. The cost of departmental administration for the period from April 1 to September 1 was \$3,187,069. The estimate of the cost for the balance of the fiscal year is \$3,812,941. However, with the decline in staff requirements of the Department of Munitions and Supply, and the impending amalgamation of the department with the Department of Reconstruction, the probability is that this full amount will not be required.

Item No. 8—Loans to commodity companies. This item shows recoveries of advances to certain crown companies of the department for working capital purposes.

Item No. 9—Revolving funds for working capital. I have had occasion to point out in previous years that the amount of the estimate for the Department of Munitions and Supply has no relation to the total sum of money to be expended by the department. The Department of Munitions and Supply is a procurement agency for the armed services of Canada and her allies, and the funds to finance the purchase of munitions and supplies are furnished by the requisitioning agency. The Department of Munitions and Supply furnishes the operating capital required in connection with the performance of contracts pending final settlement by the requisitioning agency. These moneys, of course, are recoverable advances. Expected recovery of working capital funds is shown in item 9 under the heading "revolving funds for working capitals".

In each annual report to parliament on the activities of the Department of Munitions and Supply, I have given a statement of our production record under general programme headings, contracting production for the current year with production in the previous year, and giving total figures of production from the beginning of the war. As this is the final report of the Department of Munitions and Supply, I think it will be of interest to the committee to have the final figures on production for the period from September 10, 1939 (the beginning of the war), to V-J day, August 15, 1945, the day on which hostilities in the Pacific ceased. The total dollar commitment for the Department of Munitions and Supply and its predecessor agencies, the defence purchasing commission and the war supply board, is approximately twelve billion, seven hundred and fifty-one