

*Reconstruction and Supply*

Mr. ISNOR: Will this new purchasing department carry on the purchasing for the various branches such as defence, public works, fisheries and so on? I doubt very much whether, under the set-up here, the purchasing department will be able to carry on efficiently for the various branches of government.

Mr. HOWE: It has been purchasing for only the three armed services, army, navy and air force, and for no other department of government. As I have told the committee, the Department of Munitions and Supply is in process of being liquidated, and I anticipate that when it is liquidated and when demobilization is completed the purchasing functions of the armed services will revert to those services.

Mr. ISNOR: It is the intention for the time being to carry on the purchasing for the defence departments?

Mr. HOWE: Yes.

Mr. FERGUSON: Can the minister state to within two hundred the maximum number of employees employed by the munitions and supply department during the war?

Mr. HOWE: I gave it as 4,500.

Mr. FERGUSON: The minister now informs us that by April the new department that is being created will be absorbing all the functions of Munitions and Supply as well as the new functions it will undertake, and that the number will be cut down by 2,000.

Mr. HOWE: It will be down to 2,000.

Mr. FERGUSON: In other words, they will require almost half the number of employees that this gigantic purchasing and operating department required at its peak, handling millions and billions of dollars. It is hard to believe. I hope that the Department of Reconstruction will not be so deep in the country's business that it will be necessary in April next to employ almost as many as the Department of Munitions and Supply employed at the peak. The government will be in the business of reconstruction of the country, keeping its finger in that pie to the extent that it will need almost half the number of persons it employed when it had carte blanche to handle all the country's business in the conduct of a war. There will be short shrift for private industry.

Mr. HOWE: I would not like to have that go on the record without correction. The reconstruction activities of the department at peak will require a staff of 350. Does my hon. friend think the business of handling fourteen billion dollars can be stopped all at once,

[Mr. Boucher.]

without sufficient staff? I can assure him that my difficulty in liquidating the Department of Munitions and Supply is to keep enough staff to do the work that is necessary. There are several thousand contracts to audit, several thousand claims to settle, and all the other work that is involved in closing out a great number of contracts and in disposing of a tremendous volume of war material. Having all that to do, we shall need a few men, regardless of what the Department of Reconstruction may require.

Mr. SENN: A good deal has been said about purchasing. What about salvage in the department? Does the War Assets Corporation come under the minister's department?

Mr. HOWE: Yes; War Assets Corporation is a crown company reporting to the Minister of Reconstruction.

The ACTING CHAIRMAN (Mr. Golding): I wish to draw the attention of the committee to the fact that the section we are now dealing with has to do with ministerial powers and duties, and the remarks that hon. members make should be relevant to that provision.

Mr. MacNICOL: I thought we were on section 5.

The ACTING CHAIRMAN (Mr. Golding): No; section 6.

Mr. SENN: The question I was asking might more properly be asked in connection with section 7, which provides that the rights, powers, duties, liabilities and functions of the minister shall extend to boards and other public bodies. I should like to ask the minister, when the present section is carried, to explain what jurisdiction he has over War Assets Corporation.

Mr. NICHOLSON: Some mention was made by the hon. member for Davenport about the Polymer corporation. I do not think the committee should lose sight of the fact that the important consideration was not so much whether it would operate at a profit or a loss at a time when our natural supply of rubber had disappeared and the minister had to face up to the question whether Canada would do something about the matter. We are all proud of the magnificent performance of this particular branch, and I hope that in future the minister will use the same imagination in the exercise of his powers as he did during the war. He asked himself this question: Have we the materials? Is there need for this particular undertaking, and can Canada carry it out? He has won the gratitude of the people of all the united nations for the magnificent job that Canada has done and I would