

External Trade.—The Committee considers that trade channels can best be freed by a carefully considered reduction of tariff barriers rather than by an immediate effort to establish free trade, and for this purpose recommends a comprehensive review of the Canadian tariff structure. As a further basis for expanding foreign trade, it also recommends a survey of import needs as well as of export possibilities.

Governmental Machinery.—In conclusion, the Committee repeats an earlier special recommendation for appointment of a Minister of Reconstruction Planning to co-ordinate work in this field during the remaining period of the War.

Section 2.—The Current Program of the Dominion Government in Regard to Reconstruction

Government Action Already Operative.—In addition to the extensive legislative program covering rehabilitation for the Armed Forces, the machinery for the administration of which is covered in detail in Part II of this chapter, the Government has already anticipated the partial demobilization of industry, as industrial production declines and the War reaches its final phases, by the passage of two Orders in Council which are to be confirmed in due course by legislation submitted to Parliament. The first (P.C. 5452, dated July 9, 1943) authorizes interim or partial payments on account to a contractor pending the final settlement of amounts payable under munitions contracts terminated prior to completion. A firm whose plant and facilities have been in large part employed on munitions contracts would, in the case of sudden termination of these, be left in a very difficult position with working capital tied up and no hope for easement until a final accounting was made, perhaps a year or more after the event. This Order in Council is designed to prevent such firms being forced into liquidation due to such circumstances.

The second Order in Council (P.C. 9108 dated Nov. 29, 1943) provides for the setting up of machinery to deal with the disposal of surplus war assets owned by the Government, in such a manner as will cause the minimum of dislocation of the economic structure of the country and will assist in the orderly transition to peacetime basis of the production of such industries as have, during the War, been wholly or substantially engaged in war production.

An Interdepartmental Committee—the Crown Assets Allocation Committee—headed by a full-time chairman and composed of representatives of agriculture, labour, householders and Government Departments, is authorized to obtain reports from Government Departments and other agencies respecting all surpluses and to administer and dispose of such surplus assets.

A Company, known as the War Assets Corporation Limited, has also been created with wide powers to act as the agent of the Government and to hold, manage, operate, convert, sell or otherwise dispose of surplus assets from time to time transferred or assigned to it in such a way as to promote the national well-being.

The progress of the War has resulted in changes in the needs of the Armed Forces for weapons, munitions and equipment. These changes, together with changes in training programs, have made the retention of certain assets unnecessary. The disposal of these will be effected in a manner that will contribute to the continued prosecution of the War and meet the essential civilian needs with as little dislocation as possible.

To provide the Company with necessary working capital the Minister of Munitions and Supply is empowered to advance up to \$5,000,000 by way of payment of shares to be allotted to the Minister. The advances are to be made from amounts