

Federal Government planning for the post-war transition period began with the outbreak of hostilities in 1939 and was continued throughout the war period by the Cabinet Committee on Demobilization and Re-establishment, the Advisory Committee on Economic Policy, the Advisory Committee on Demobilization and Re-establishment and the Advisory Committee on Reconstruction. The Advisory Committee on Reconstruction had a full-time secretariat and sub-committees for agricultural policy, conservation and development of natural resources, post-war reconstruction, housing and community planning, post-war employment opportunities, and special post-war problems of women. The House of Commons established a Committee on Reconstruction and Re-establishment and the Senate a Committee on Economic and Re-establishment and Social Security.

The Federal Government program for reconstruction was set out in the White Paper on *Employment and Income* in April, 1945, and re-stated in more concrete terms in *Proposals of the Government of Canada* prepared for the Dominion-Provincial Conference on Reconstruction which met in August, 1945.

The fiscal arrangements proposed by the Federal Government to implement the program were not acceptable to the Provincial Governments and the Conference adjourned in April, 1946, *sine die*. The failure of the Conference to reach over-all agreement delayed the implementation of certain proposals, such as those dealing with joint action on social security matters and public investment programs.

Subsection 2.—The Department of Reconstruction and Supply

The Department of Reconstruction and Supply has been responsible for co-ordinating the action of government departments and agencies to ensure a quick and smooth transition from a wartime to a peacetime economy. The Department was created in December, 1945, by a merger of the Department of Munitions and Supply, established in April, 1940, and the Department of Reconstruction, established in June, 1944. The functions of the Department have been twofold: firstly, to liquidate the Government's commitments arising out of, and following the conclusion of, the War and, secondly, to assist in formulating plans designed to maintain a high level of employment and income in Canada in the transition period and the years to follow.

However, as the reconstruction of the economy on a peacetime basis neared completion and emphasis shifted toward further economic development on a continuing basis, a number of functions developed by the Department were transferred to other agencies. Of the specialized organizations for which the Department has been responsible, a number, as indicated below, are now under other departments or agencies.

The Research and Development Branch.—This Branch, which was transferred to the National Research Council early in 1947, developed a technical information service to make available to industry the results of government and other research, encouraged research not undertaken by government departments, and aided in the development of means of measuring, and appraising the significance of, research expenditures in Canada (see Chapter IX, p. 334).

The Air Development Branch.—The Air Development Branch which was transferred to the Bureau of Transport Economics of the Board of Transport Commissioners, was responsible for initiating a nation-wide survey of the extent of inter-community travel between important Canadian cities.