

public projects of an extensive nature is doing a disservice to the work of reconstruction. I have given enough thought to the problem to be perfectly convinced that that is true, and the economists who are associated with me in the Department of Reconstruction are definitely of that view. There might be some slight dislocation this winter; there is bound to be, I think, with seasonal unemployment coming on top of reconversion of some of our largest industries and with the rapid demobilization of our veterans, but I believe there is every indication that next year will see employment on as high a level as it has been in the past several years. However, that is by the way. I simply say, in asking hon. members to pass this resolution and allow the bill to be introduced, that I am perfectly satisfied that the move proposed is a constructive one. If I did not think so, I would not have proposed the amalgamation to the Prime Minister. It provides a better use for the available man-power that can be engaged on the two parallel programmes, the one of dismantling war machinery, and the other the building up of peace-time industry.

Mr. ROSS (Souris): Would the minister answer the question with regard to priorities on equipment for soldiers, to enable them to establish themselves in civil life?

Mr. HOWE: We have studied the matter of priorities for soldiers. There is no difference between my hon. friend and myself on the desirability of it. The difficulty is that in disposing of war assets it is impossible to set up retail establishments. While I was in Washington a few days ago I happened to notice a statement by surplus property administrator Symington. The problem there has been very much to the fore, this matter of preference for veterans in connection with surplus material. This item states:

In a letter to Senator Joseph C. O'Mahoney, chairman of the senate military affairs sub-committee on surplus goods, Symington said that the "only" alternative to putting over veterans preference would be to establish retail stores for veterans at the cost of "hundreds of millions of dollars."

If the proposals are turned down, then the United States will simply have to face the question "whether it would not be better to express the gratitude of the country to the veteran in some other way than a surplus preference."

Without suggesting such a solution, the surplus property administrator then went on to point out that Canada had decided against surplus preference, and instead has given the veteran a straight cash bonus.

Symington asked the senate sub-committee to hold hearings on his plan and thresh out the entire problem.

The position in Canada is exactly the same. It is impossible to set up retail outlets across

Canada for the tremendous variety and diversity of goods which are being declared surplus by the armed services, and we found it impossible to devise any method of selling on a wholesale basis, as we must do, in a way that would give a definite price preference to veterans. If an application from a veteran is received for an article that can be sold direct by the corporation, that veteran certainly receives a preference over a man who does not have an equally good war record. That can be done, but it covers only a limited number of cases. If any hon. member can devise any method which will enable War Assets Corporation to give a real veteran preference, the corporation will certainly adopt that method if it can be operated in a practical way. What was the other question?

Mr. ROSS (Souris): It was a request from the provincial school trustees association for instructional equipment to be turned over to school boards or departments of education.

Mr. HOWE: That is being considered by the committee on war expenditures, and I hope that some recommendation from the committee can be made. We have had demands from all the schools in Canada for machine tools. If those demands had been met in full it would have meant the withdrawal from industry of sixty or seventy thousand machine tools, without which it would have been impossible to maintain employment in the conversion period. We are meeting the demands for free issues of various kinds as far as we can, but we feel that the first duty is to use the machine tools of this country to keep at work the men who are using those tools to-day. I ask hon. members to have patience with us. We feel that we must do first things first, but we intend eventually to try to meet the requirements of the educational systems, as far as we can, with the materials we have available.

Mr. MacNICOL: Speaking for myself, I am going to accept the minister's statement that the government itself is not going to carry on a business or any businesses by way of contracting or doing the jobs itself as a contractor. If I am right in interpreting the minister as having said that, and that they will let by contract what jobs they do, I will withdraw my personal opposition to the bill, because at the commencement I was in favour of a Department of Reconstruction; but my opposition in the earlier part of the evening was caused by my having heard, or having thought I heard, the minister say something which might mean that the government was going to enter business. I am wholly opposed to the government being in