

*Surplus War Assets.*—During the past five years, the Government has acquired title to large quantities of war goods and by the end of the War these will constitute the greatest single inventory ever held by one body in Canada. Power to deal with these surpluses under the Surplus Crown Assets Act is exercised by the Minister of Reconstruction through the Crown Assets Allocation Committee, the Director General of War Surplus and the War Assets Corporation.

The Allocation Committee has the duty of recommending to the Government, through the Minister, those policies which will dispose of various surpluses to the best advantage of Canada as a whole. The Committee has adopted a general priority rule, which is subject to variation, in accordance with circumstances and proven essentiality as regards public interest, in the following terms:—

“That priority be given to any Federal Government Department or agency, Provincial Government Department, municipal body or public organization, in the order stated, which has requested any of the said equipment.”

Once the policy has been determined, the War Assets Corporation carries out the actual process of disposing of the surplus. The Corporation consists of a President, Vice-President and Board of Directors representative of the business, industrial, labour and consumer interests of the entire country.

The Director General of War Surplus makes arrangements for speedy clearance of surplus from plants that are to be swung back into civilian production and, in addition, conducts negotiations with industry for the acquirement and operation of Crown-owned plants, with the object of providing facilities that will benefit the economic development of the country. In this connection the Director General gives consideration to the proposed use of the property and equipment in the following ways: increasing employment; providing for new types of manufacture in Canada; improving working conditions; bringing about less costly operations than those previously used; providing increases in output needed in the domestic or export markets; and in having a desirable effect on the location of industry and employment.

*Industrial Research.*—In order to assist Canadian business and enterprise, the Government has established a Director General of Research and Development whose duties fall into three related fields:—

- (1) The development of a technical and scientific information service to disseminate sound technical information to business and enterprise of all kinds in Canada.
- (2) To promote research for the assistance of special industrial and development projects.
- (3) The co-ordination of long-term scientific programs.

The Director General has established research libraries with staffs large enough to carefully canvass research activities in private enterprise, scientific associations and universities. The National Research Council, formerly under the Minister of Trade and Commerce, has now been brought under the jurisdiction of the Minister of Reconstruction.

*Depreciation Allowances.*—During the War it was necessary to discourage ordinary private investment activities by very high taxation. As the period begins during which it is desired to encourage new investment the Government has, under the Budget of 1944, made provision for special depreciation allowances on new capital expenditures on plant and equipment. These allowances are granted by the Minister of National Revenue upon the advice of the Minister of Reconstruction who in turn is advised by a Depreciation Committee.