

some preference should be given these institutions which only want a small number as against some person who is going to buy them for re-sale.—A. It is very difficult to answer that question generally. As applied to the items you have mentioned I would say that the smaller man would have a chance to buy out of that before any overall deal was made, to purchase from that supply before any overall deal was made. We are trying not to be too cold blooded about that thing. For instance, the easiest path for War Assets Corporation, if it got the right price from the second-hand dealers that showed a proper return for the whole thing, is to sell it to them immediately and that finishes our problem, but that is not the way we are trying to operate. We are trying to operate logically and fairly.

Q. But there may be a difference in the price. The institution may offer \$10 each whereas the second-hand dealer may offer \$12. Your organization may very well say, "We will accept the \$12" with the result that the second-hand dealer will buy up the whole lot and then turn around and re-sell them for \$18. The same sort of thing is happening up North and it is to obviate that sort of thing.—A. The War Assets Corporation is in this situation; somebody offers \$10; somebody else offers \$12; we have either to be 100 per cent commercial or we have to start weighing the merits of this thing. And when you get involved in that you are in trouble.

Q. I think it is a case of public commodities. You should consider the merits rather than take just the abstract commercial view of it.—A. I think we would go back to the public institutions and ask them if they would be interested in bidding the same price as that received from somebody else. That, of course, would be a matter of policy.

The CHAIRMAN: Gentlemen, we have the Hon. Mr. Howe with us at the moment. He has come over here at the earliest time open to him. I wonder if members of the committee have any special questions that they would like to present for his special consideration. I would like to say to him that I made a rather bold statement here this morning in the committee; that is, so far as the committee was concerned, Mr. Howe, that we do not propose to have any minister of the Crown tell us whom we should hear or when we should hear them or the type of question we should consider first, and so on. I thought I should acquaint you with the fact that I had made a statement of that sort.

Mr. GOLDING: Just a moment, Mr. Chairman, before we hear Mr. Howe; let us follow up this thing by Mr. Reid. Would hospitals and institutions of that kind have priority over the individual if they were prepared to meet the price?

The WITNESS: That is right.

Mr. GOLDING: They would have priority over individuals?

The WITNESS: They would have priority at the going market price. In the cases mentioned by Mr. Reid the going market price would be established by the bid received from the second-hand dealer.

Mr. GOLDING: That is what I mean.

*By Mr. Probe:*

Q. Would they be informed of that so that they could get in at the same level?—A. If they have requested a priority on any of these things we can go back to them, having established a price by reason of the bid of the second-hand dealer, and ask them if they are interested at such and such a price.

Q. That is fair enough.—A. We do that on many occasions.

Mr. REID: I do not want to labour the point, but where there is a certain supply of materials which are declared surplus and offered for sale at a certain camp the department might be able to dispose of say 5,000 rather than a larger lot, and that is where the danger of the bid from a local second-hand dealer