

*By the Chairman:*

Q. Is there an accounting made to the government, or to any branch of the armed forces, of the money which the auxiliary services make?—A. Well, the organizations keep an accounting system; but in the United Kingdom, as far as I am aware, they have not made regular returns of their earnings to the military authorities.

Q. How do we know or how does anybody else know whether the profits which the organizations have made have been used for the benefit of the men of the armed forces?—A. Well, probably we do not exactly know.

*By Mr. Brooks:*

Q. Is there not a board set up with some members of the different units on the board, or on the committee, that looks after the funds? Is there not someone to see that the unit gets what it is entitled to, or do they leave it entirely with the auxiliary service organizations?—A. Well, so far, it has been left with the units, except for such statements as they file under the War Charities Act here.

*By the Chairman:*

Q. You explained that from N.A.A.F.I. the units get 6 per cent of the gross profits?—A. Yes.

Q. And we presume that the units spend that money amongst their men?—A. Yes.

Q. From the auxiliary services what percentage of the profits go directly to the units?—A. None in actual money.

Q. Then where do the profits go?—A. The profits are spent.

Q. No. Where do they go? Who gets them first of all?—A. The organization that operates the canteen gets the profits.

Q. Then do they account to any department of the government for those profits?—A. Not except in their general statement as may be made to Department of National War Services. There has been no special accounting of the profits of the particular canteens made yet in so far as I know.

Q. When the profits are spent for the benefit of the men, they are spent by the organization which made them. Is that correct?—A. That is correct.

*By Mr. Isnor:*

Q. Could you tell us the gross sales of the eighty-seven canteens during the past year, colonel—A. No. I have not those figures.

Q. But there is a record available for us?—A. Well, I have not the record; but I believe there would be, yes.

*By Mr. Hazen:*

Q. Would you care to express an opinion as to whether or not that system you have outlined in connection with profits is satisfactory?—A. Well, my own opinion was, when I arrived in the United Kingdom, that an immediate accounting system should be set up so that we would know exactly what profits were being made and how they were being spent; and that is being done.

Q. That is being done?—A. The accounting system is now being set up.

*By Mr. Ross (Middlesex):*

Q. When do you expect it to commence functioning?—A. Well, it should be functioning within a few weeks.

Q. How long has it been in the process of being set up?—A. Well, a couple of months.

Q. That is from March, April and May?—A. Yes. Of course, there are some factors that have come into the picture which have probably delayed it.

Q. Then it may be some weeks yet before it commences to function?—A. It may be, yes.