

provinces, do you restrict the provinces to exercise their priorities solely with respect to goods which the province will use as a province or are these provinces allowed to exercise their priority rights in order to have allotment of goods which they in turn re-sell?—A. We do not restrict our priorities to the provinces. We have no conditions attached to them.

*By Mr. Homuth:*

Q. Are there any such cases as the provinces purchasing from the War Assets Corporation for the purpose of re-sale?—A. I have not official record of that; but I believe the answer is, yes.

*By Mr. McGregor:*

Q. That is the procedure supposing you have some goods come in that the provinces—the federal government and the provinces have a priority—now, what is the procedure there? Supposing the federal government, or none of these bodies, have a request for that article; what do you do with it?—A. We offer it for re-sale.

Q. Do you offer it for sale to anyone else?

*By Mr. McIlraith:*

Q. Just following that question, when you offer for sale the provinces may come along and use their priority until the time the article is actually sold?—A. That is it.

Q. So that if it were sold by tender they could come along right up to the point of the acceptance of the tender and use their priority?—A. Yes.

*By Mr. McGregor:*

Q. The point I wanted to make is, you have a certain amount of goods with respect to which these provinces have their priority. If there is no order in from the provinces, then anyone else who comes along can purchase it, so that you do not hold it up for the priority?—A. If a province has a request in for a specific item, it is then offered to the province prior to being offered for re-sale. If the province does not take advantage of that offer then it is offered for re-sale.

Q. In other words, if there is no request from any of these priority holders, if anyone else comes along they may buy it?—A. Yes. But in the course of advertising for sale, if the province puts in a bid for that sale and there are 10 other private consumers putting in bids at the same time the province would have the first option to say, no, they did not want it.

Q. The point I want to make is this, that you do not hold anything there for priorities?—A. No. The delay comes in in getting all this stuff together and screening it to see what the priority requests we have before us.

Q. Because if you did you might hold some of the stuff there for 10 years waiting for someone with a priority to come and get it.—A. Yes.

Mr. SHAW: I am completely convinced there has got to be a shake up in this priority question; and I am convinced further that this committee could do nothing better than direct its attention to that problem. I appreciate that the corporation is not overstaffed, but I take it that their chief problem at the present time is this question of priorities. If it is necessary, I would be willing even to cast aside certain of these priorities for the sake of efficiency and so forth, and that is a thing which I believe will have to be done.

The CHAIRMAN: Are you through, Mr. Shaw?

Mr. SHAW: Yes.