

Q. That would be a dry canteen?—A. Well, our services only run dry canteens. If the O.C. wants a wet canteen, then he will either run it himself or get N.A.A.F.I. to run it.

*By the Chairman:*

Q. I should like to be clear on the distinction between the different organizations. Is N.A.A.F.I. operated entirely separate and apart from the auxiliary services?—A. Absolutely. N.A.A.F.I. is a British organization.

Q. N.A.A.F.I. is a British organization?—A. Yes.

Q. The correct name is what?—A. Navy, Army and Air Force Institutes.

Q. Does it operate amongst the Canadian troops, the Canadian armed forces?—A. N.A.A.F.I. has canteens with the Canadian armed forces.

Q. Has the Canadian government or the Canadian armed forces representatives on the N.A.A.F.I. organization?—A. Not as far as I am aware, no.

Q. Did I understand you to say that the units where N.A.A.F.I. happened to be operating get 6 per cent of the gross profits?—A. Yes.

Q. What happens to the balance of those profits, the other 94 per cent?—A. I do not know.

Q. So far as you know, the Canadian troops get no benefit from that?—A. I believe that the question of the ultimate benefit that the Canadian troops are to get from N.A.A.F.I. is now the subject of negotiation; but I have had no part in those negotiations.

Q. The Canadian auxiliary services do not, I understand, operate wet canteens?—A. No. They do not.

Q. Does N.A.A.F.I. operate wet canteens?—A. Yes. N.A.A.F.I. does.

*By Mr. Adamson:*

Q. I understand that a unit may operate its own dry canteen or may ask one of the auxiliary services such as the Y.M.C.A., the Knights of Columbus, the Legion or the Salvation Army to operate a canteen for them?—A. That is correct.

Q. They have that option, though?—A. Yes.

Q. If a unit operates its own canteen, the profits go directly to the unit?—A. That is correct.

*By Mr. Marshall:*

Q. Have you any record of the amount of money that has been turned over by the four national organizations to N.A.A.F.I.?—A. As far as I know, they have not turned any money over to N.A.A.F.I.

Q. Is there not some arrangement with these national organizations with respect to a certain percentage of the profits for operating canteens in the units?—A. In the United Kingdom?

Q. Yes.—A. No. Where the organizations operate the canteens, the profits made are spent for the benefit of the men; but there is no cash contribution made by the organizations.

Q. So there are no profits at all in connection with the operation of canteens overseas that go into the general funds, we will say, or into the Receiver General's account?—A. No.

The CHAIRMAN: Are you referring just to N.A.A.F.I.?

Mr. MARSHALL: I am referring to any organization operating canteens in connection with the army.

The WITNESS: Whatever profits—that is, net profits—are made out of the operation of the organization canteens in the United Kingdom are spent for the benefit of the Canadian forces by the organization which earned the profit.

Q. Then there are no funds for us to discuss at all?—A. No. There would be no funds to go into the central canteen fund under the present arrangement.