

Mr. SHAW: What I am getting at is the securing of the existing rules and regulations as known to the corporation. We need to know the principle on which they are operating.

Mr. DEROCHE: The question of principle, Mr. Shaw, is perfectly clear; no government department can sell, destroy or dispose of any surplus Crown property without consultation with authority from, directly or indirectly—it may be under some general authority, but some authority from the committee or the corporation. And now, that is unquestionably the principle.

Mr. SHAW: I am satisfied with that statement.

Mr. REID: One question which arises in my mind is this, Mr. Chairman. If we are dealing with the principle of this thing. I notice some of the items appearing in this schedule are 20,000 blankets, and so many beds; it says, sold after consultation with the Newfoundland government. I can understand buildings being sold after consultation with the Newfoundland government, for the life of me I cannot understand why things like beds and blankets and so on should be so sold, particularly when in this country there is such a tremendous demand for beds and bedding, and all kinds of things. I think these things should be brought back here to Canada and made available to our own people. There is some question in my mind as to why in the case of blankets, beds and bedding material it has to be sold after consultation with that government. As I see it, such action is not necessary.

Mr. DEROCHE: I think if you will read the directive you will find that it says, if it is to be sold in Newfoundland it must be sold by consultation with the Newfoundland government. There is no directive that it must be sold in Newfoundland. It may be brought back to Canada and sold. The reason for the directive being there is this, it applies to practically all Crown owned properties there, that the material in Newfoundland was imported free of duty on the basis that it would be taken out after the war. As a measure of co-operation with the Newfoundland government a standard priority was laid down that if they were sold to anybody in Newfoundland we would only do so after speaking to them and clearing this matter of duty. There is no directive that it must be sold in Newfoundland.

Mr. McDONALD: Following up what Mr. Shaw said on this item of the 2.95 long tons of cast iron scrap (that is on page 16 there) there is the note under disposition recommended, "no specific direction". Turning over to page 17, there are two items there; Crown owned capital assets at LaCorne Project, the Wartime Metals Corporation, LaCorne Molybdenum Project, Val D'Or, P.Q., amounting to \$445,681.88; and the following item, inventory as supplies on hand at LaCorne Molybdenum Project, July 15th, 1945, \$38,595.65—and with respect to each of these items there is this same comment, "no specific direction". I can understand that at the first instance there, where the amount is small, only \$44.25, but in this instance where there is such a large amount involved, why "no specific direction"?

Mr. DEROCHE: Because, Mr. McDonald, the committee is only concerned with priorities for government departments, provincial governments and public bodies. May I say, so far as the committees knew, there was no public body interested in the purchase of these assets, and accordingly they are transferred to the corporation to deal with as they see fit.

Mr. HOMUTH: And get the best price they can for them?

Mr. DEROCHE: That is correct.

Mr. LALONDE: Another thing I want to get clear is this, where we have to deal with specific cases of the destruction of certain types of equipment and that destruction falls under the jurisdiction let us say of a certain department, under our terms of reference would we be debarred from calling in witnesses