

Second Question—

Whether there should be one Central Fund or three; i.e. a separate fund for each of the armed services.

Third Question—

What moneys, if any, should be added to the fund from Canteen sources in the United Kingdom, and

Fourth Question—

What disposition should be made of moneys received from the sale of kitchen by-products?

Before considering these in detail the procedure followed by the Committee is noted in the next following paragraph.

4. Procedure.

Following the setting up of the Committee in the latter part of December, 1940, letters were sent to the personnel heads of the three services, to the four national organizations of the Auxiliary Services, namely, the Salvation Army, the Canadian Legion, the Knights of Columbus and the Y.M.C.A.; and to numerous organizations of ex-service men or of those directly interested in and having some experience of ex-service men's problems. These organizations were informed of the constitution and purpose of the Committee and were invited to file briefs. The Committee on Demobilization and Re-establishment of the Department of Pensions and National Health was also communicated with and requested to offer assistance and suggestions. In most cases briefs have been filed setting out the considered views of the officers of the organizations concerned.

The Committee met at Ottawa on February 7 and 8, 1941. At that time it appeared that certain aspects of the problems to be considered gave rise to questions on which it was felt that the opinions of the Senior Overseas Officers of the three services would be of assistance. Further deliberations of the Committee were accordingly adjourned until replies could be received from these officers. Some delay occurred owing to the necessity of carrying on a part of the correspondence by mail, and it was not until the latter part of June that all replies were received.

The Committee met again at Ottawa on July 16 and 17, 1941. At its sittings the Committee had the advantage of interviewing and hearing representatives of the three services, all of whom were most helpful in giving the Committee the benefit of their knowledge and experience.

The officers of the Department of National Defence were also kind enough to furnish a very complete memorandum on the question of the disposal of funds received from the sale of kitchen by-products.

3. First Question: What moneys should be deposited in the Central Fund from sources in Canada.

(a) At the outset it should be noted that the principle of a central fund had been accepted and acted upon prior to the Committee being constituted. Under the terms of an Agreement made between the four national organizations comprising the Auxiliary Services and the Minister of National Defence for the operation of canteens by such organizations in Canada, five per cent of the gross receipts is payable monthly to the unit or units served by the canteens in each case; an allowance of two per cent of the gross receipts is retained by the organization to cover supervision, accounting and other similar overhead; and the net profits, after deducting the foregoing and other specified items of cost, are paid to the Minister or an officer designated by him and deposited with the Receiver General of Canada.