

of the unit or by pay that has been waived by officers or other ranks of the unit; and it is pretty well left to the units themselves to dispose of them.

Q. I am speaking of the canteen fund.—A. The reserve units have practically no canteen funds. Perhaps I did not make it clear. Their funds are mostly mess funds and regimental funds. They have very little in the way of canteen funds except those earned at summer camps. Now they have more maybe because of the longer camps, but pre-war it was very little.

*By Mr. Sanderson:*

Q. Mr. Chairman, I should like to ask the Colonel if he can give the committee any information concerning the agreement with the Salvation Army in connection with canteens. I am told that the Salvation Army are drawing a certain amount of money for the services rendered; is that correct?—A. I will answer that in this way, sir. The canteens administered by the Salvation Army are operated under an agreement between the war services department of the Salvation Army and the Minister of National Defence on behalf of the crown. A copy of the agreement was filed on Tuesday by Colonel Cairns just at the end of the last meeting. That agreement stipulates that they will provide facilities (if humanly possibly) if they are so asked to do by the minister or his representative who is the director of auxiliary services. In other words, the director of auxiliary services is the representative of the Minister of National Defence for the purpose of administering that agreement.

*By Mr. Marshall:*

Q. The Salvation Army is governed by the same rules and regulations which govern the other four?—A. Yes, the four are the same, including the Y.M.C.A., the Knights of Columbus, and the Canadian Legion. In paragraph 8 of the original agreement, which was approved by order in council, they are permitted to deduct from the gross receipts for each canteen the cost of the goods sold. Probably I had better read it. Paragraph (d) reads:—

For the purpose of determining the net profit of such projects and services it is agreed that the cost of the following items only shall be deductible from gross receipts:

- (1) Cost of goods, including transportation.
- (2) Wages of personnel wholly and exclusively employed in canteens or similar projects.
- (3) Fuel, light and water, when not gratuitously provided.
- (4) Laundry of linen, uniforms, etc., used in canteens, etc.
- (5) Minor repairs and replacements, including replacements of crockery, cutlery, utensils, etc.
- (6) Fire insurance and bond premiums on staff (if carried).
- (7) An allowance of two per cent (2 per cent) on the gross receipts to cover overhead expenses, such as supervision, accounting, postage, etc.

The last section I read is the one that you probably had heard of, sir. That is all that they are permitted to deduct. Then they turn over to the local unit commander 5 per cent of the gross receipts; if there is anything left it is remitted to the Receiver-General to be deposited in the central fund, which we discussed at the earlier meeting.

*By Mr. Sanderson:*

Q. Mr. Chairman, I should like to ask the Colonel if he can give any information to the committee in regard to the arrangements or agreements that were made in the war from 1914 to 1918?—A. I am sorry, I have not that information.