

know, for instance, how much the stuff cost originally. I am not trying to use a double entry system on this, but I would like some kind of a general estimate to know what we are shooting at.

The WITNESS: And I, as president of the company, refuse to make any guess because I am quite sure any kind of a guess which I might attempt to make would be purely crystal gazing on my part. I know of no method by which we could arrive at a total. I have fought hard to try to arrive at a total because that total would then give me some specific objective to apply to the operations of the War Assets Corporation. But despite that I have been unable to make any estimate. What we have had to do is to make our organization, build our organization along such lines that when we feel that we are over the top, or a slow-off of surplus is coming to us, then we can start contracting our organization without affecting its fundamental principles at all. Alternatively we still have to leave it in such a way that we can expand indefinitely and very quickly to take care of any amount of stuff that may come along.

Q. Have you any statistical organization in connection with War Assets disposal corporation? A. Yes we have.

Q. How large is it? A. I do not know. I will take a note of that and give you the exact figure.

Q. What is their particular function? A. Their main function at the moment is to supply details of sales and expenses so that we as management can keep our fingers on the pulse.

Q. Would not your accounting department do that? A. It is all allied to the accounting department. They get their figures partly from the accounting department and partly from other sources.

Q. That is, you do not make any attempt to estimate the cost of the goods you have for sale, or are going to have for sale, you have no idea at all. A. I have no method of obtaining that figure.

Q. May I ask just what jurisdiction War Assets Disposal Corporation has over surplus assets in foreign countries? A. We have complete jurisdiction over them as they are reported to us as surplus, and not until they are reported to us as surplus.

Q. Do we have any assets in the United States? A. Yes. Those assets in the main, and to my knowledge, consist of sub-contractors' inventories where we have placed orders with a contractor in Canada for war materials and he in turn has a sub-contractor in the United States who has been supplying him with certain bits and pieces. Those bits and pieces on the termination of a contract become surplus and come into my hands.

Q. How do you handle the disposal of those assets? A. We have an arrangement with the United States government that we may dispose of those under our own steam.

Q. In the United States? A. Yes, and we have requested our sub-contractors in the United States to sell them for our account subject to them obtaining a certificate from the appropriate United States disposal officer that that sale is in parallel with and generally in accordance with the terms on which similar sales are made of surplus by the United States agency.

Q. Are we in turn giving such a certificate for American surplus assets in Canada? A. Not at the moment. I am in the process of discussing that with them now. I have no final detail on it yet.

Q. Is there any very substantial amount to be realized from these Canadian assets in the United States? A. I do not know the volume of them yet. We only get them as they appear. What the final total is I do not know. I would say it is comparatively small. In itself it may be a significant figure but compared to the total volume of surplus that we are now selling it is an insignificant—I should not say "insignificant", but rather not a very large proportion.