

for instance leaseholds, the committee may, on behalf of the minister, return the report to the reporting department and request that that department terminate the lease. If, however, the leased land is required by some other government department, or has upon it a substantial quantity of Crown-owned improvements, it is normally passed to War Assets Corporation in order that all matters between the landlord and the Crown may be settled at one time. Lands fully owned by the Crown are to be transferred to War Assets Corporation which is to investigate the situation, endeavour to negotiate a proposed sale, and report back to the minister for submission to council if required.

Experience gained in the operation of the above procedure indicated that the report of surplus could be dispensed with in many cases and a standard procedure was issued by the committee authorizing departments to terminate leasehold interests without a report of surplus where the term of the lease was very short or the Crown's right was very limited—in other words, any cases where there was no reasonable likelihood of further use being made of the property by the Crown.

7. Machine Tools—The disposal of Crown-owned machine tools has been considered by the committee from time to time. The original recommendations of the committee were embodied in order in council P.C. 1339 of March 4, 1944. This order in council provided a procedure for the sale of machine tools which were surplus to war requirements or for sale of machine tools which were still required in the war program but could be sold to the present custodian subject to the limitation that they be used for war work if so required. The order provided a schedule of depreciation for various types of equipment and directed that no sale be made at prices less than those arrived at by such table of depreciation.

Experience in the operation of the above procedure indicated that certain changes were required, particularly in the method of calculating prices, and to more clearly distinguish between tools which were surplus Crown assets within the meaning of the Surplus Crown Assets Act, and tools which were not surplus but were available for sale provided restrictions on the use thereof could be arranged with the purchaser.

Accordingly a new recommendation was made which was embodied in order in council P.C. 7909 of October 10, 1944. This provided a much simpler scheme of depreciation, namely 68·2 per cent of the Canadian cost less further depreciation at the rate of ·9 per cent of such cost per month for each month during which the machine tool was in operation, with a minimum floor of 25 per cent of original cost.

8. Ammunition, Bombs and Small Arms—the committee recommended that first priority on live ammunition, bombs and small arms, be given to the Department of Munitions and Supply for war purposes and thereafter the usual order of priorities. If the corporation was of the opinion that no sale was possible within a reasonable time and that scrapping was uneconomical or too hazardous, then the items were to be dumped into the sea. This recommendation was put into effect by order in council P.C. 6099 of August 4, 1944.

9. Miscellaneous—

(i) the committee recommended that hand tools or mechanics kits in the possession of artisans whose services on a particular war program were no longer required, might be sold to such artisans by the contractor concerned, with the approval of the appropriate government department, but not more than one kit or set of tools was to be sold to one person, and also that members of the armed forces might, on their discharge, be permitted to purchase directly from the department concerned, small personal items other than lethal weapons which had been in their possession while they were in service.