

An exception to the rule of no direct sales to consumers has been made in the case of trucks to farmers. As long as trucks are scarce, a limited number have been and will continue to be sold directly to farmers. Also, it has been the practice to sell second-hand goods and broken lots, which cannot easily be sold commercially, at public auction sales.

Individuals may make direct purchases of aircraft, real estate, ships and some capital machinery, following the procedure of commercial transactions usual in these specialized fields.

Price

In general, the corporation sells at the going market price, and maintains the Wartime Prices and Trade Board ceilings wherever applicable. The going market price is ascertained in various ways, such as:—

- (a) by reference to Wartime Prices and Trade Board;
- (b) by consultation with the trade concerned;
- (c) by appraisal, using in most cases outside valuers;
- (d) by calling for tenders;
- (e) by advertising and inviting bids.

Following this brief outline of price establishment, I have a few remarks regarding the sale price problems we meet from time to time.

It is sometimes contended by those who are interested in charitable or public service enterprises that the Corporation should *give* them war surplus materials for nothing, or at a cut rate. This the Corporation cannot do, as it is not in a position to measure, in terms of cold cash, the contribution made to the public welfare by public bodies or other agencies. All sales made to such agencies are at going market prices. The Corporation is in the nature of a centralized selling agency for the purpose of achieving orderly marketing. It owns nothing. It can give nothing away. It is, under existing government policy, a one-price organization.

Should any Federal Government Department or other Federal Government agency wish, for policy reasons or to meet an actual or implied obligation, to donate surplus goods or supply surplus goods at less than the going market price, then the Department or agency concerned must purchase the surplus required from the disposal agency and accept responsibility for the ultimate disposition of such surplus.

Original Cost

War Assets Corporation does not generally maintain data on original costs as part of the accounting of sales. In cases where information as to original cost is considered necessary or desirable, such information is secured specifically from the reporting Department, if obtainable. This policy has been adopted, as it is considered that in most cases the original cost data is of no value to the Corporation, there being no direct relation of going market price to the original cost. This again is due in many cases to articles being sold for uses other than for which they were made.

Surplus Disposal and Educational Institutions

Close liaison is maintained with Canadian Universities and Provincial Departments of Education with a view to making available to non-profit educational institutions, on a basis of indefinite loan (plus the cost of packaging and freight), certain material and equipment which has been declared to be non-commercially saleable but to have educational value.

I would terminate this report, Mr. Chairman, with a few general statements regarding our general operations.