

Mr. BERRY: I think, Mr. Chairman, we have to present a correct picture to the committee and to do that we have to consider these two as very distinct parts. I have managed to keep it relatively in two parts in my mind, and I believe that that is the only way to handle it. The committee itself is comprised of administrative officers all located at Ottawa. It has no offices outside of here.

Mr. SHAW: As long as we move along and get that picture eventually.

Mr. BERRY: There will be no question about that.

Mr. HOMUTH: There is one other question occurs to me from what I heard following the brief. I realize the tremendous job this War Assets Corporation has undertaken, and anyone who deals in any business can appreciate that it is a tremendous job; and sometimes I have felt perhaps, knowing something of war assets, that a lot of criticism that has sometimes been levelled at War Assets is not criticism to which they are entitled. One question I would like to ask is this; I do not know whether Mr. Berry or any one can answer it—are the departments of government permitted to sell anything without it going through War Assets? I think that is a very important question.

Mr. DEROCHE: The Surplus Crown Assets Act, a copy of which is in front of you, provides:

(2) Notwithstanding any Act or order in council enacted or passed before this Act comes into force, no government department shall dispose of surplus Crown assets except in accordance with this Act or in accordance with general or specific authority from the Governor in Council.

Now, I think in the brief I mentioned all of the cases in which special permission was given to a department to dispose of something. They are all of a very minor nature—the armed services have been authorized to dispose of dangerous ammunition, or destroy it themselves without reporting the surplus, for instance. There is I think one other minor case that I did not mention; the Department of External Affairs was authorized to sell small items of not more than, I think it was, \$100 in value from their offices located in foreign countries. Except for a few minor items of that character all sales of surplus Crown assets are supposed to follow this channel.

Mr. LALONDE: Supposing, Mr. Chairman, the Department of Public Works wants to buy a tractor for its own use and the army has one to dispose of, they have to hand it over to War Assets and the Department of Public Works has to make application to them—that is the procedure followed, they buy it through War Assets?

Mr. DEROCHE: Yes, that is the set up, Mr. Lalonde.

Mr. LALONDE: That is what I wanted to know.

Mr. DEROCHE: The reason behind that, when the Act was being framed, was to prevent if possible competition among government selling agencies. The idea was that one agency would do all the selling, and then there would not be any competition in selling anywhere.

Mr. STEWART: There is a matter of a plant in my riding (Winnipeg North) where some interested parties wanted to buy a plant and they were told that the only way in which they could get it was to apply to War Assets. At least, that is the answer I got when I raised the question in the House. Can you tell me who that was sold by?

Mr. DEROCHE: I do not know. The mechanics of selling are somewhat difficult, particularly in deciding which individual man negotiated an individual deal. The transaction is a War Assets transaction. The documentation of the sale is by the War Assets Corporation.

Mr. STEWART: I did not understand that to be the basis of the answer I got in the House yesterday from the Department of Munitions and Supply. I