

expenses are covered by an order in council, I have forgotten the number, which authorizes us to deduct 5 per cent, or to take 5 per cent from the net proceeds of sales and to pay our administrative expenses out of that fund.

Q. Administrative expenses are confined to 5 per cent of the net proceeds of sales?—A. That is the money we receive to meet our administrative expenses.

Q. And the net proceeds of sales, are, of course, after your operating expenses are deducted from gross sales?—A. Correct. Up to the end of January our total operating expenses and our total administrative expenses were, very roughly, nine per cent of our sales.

Q. As disposal goes on you will expect the percentage to come down?—A. I would expect it to go down to a certain point, but after we have disposed of the major items, the bulk items, and are confined then to relative scrap items, materials which have very little commercial value, I would expect our related expenses to go up quite steeply.

Q. When you say winding up, that means when you have reached the end of your operations?—A. Quite.

Q. But when you are at your peak of sales you expect that figure to go down?—A. I expect that to go down considerably.

Q. To about four or five per cent?—A. I would hate to guess.

Q. But you have your guess and so have I.—A. I haven't, yet. May I add that nine per cent is the actual figure; that is not a guessed figure, that is the actual result for the fiscal year up to the end of January, 1946.

Q. In any case, there is no direct grant by Parliament for the carrying on of the War Assets Corporation?—A. No.

Q. How were you set up in the very first place, before you made a sale? That would help us considerably.—A. Originally I believe there was a sum of money, I think a half a million dollars, placed in the custody of the corporation to pay operating expenses until they got going.

Q. That has been repaid now, has it?—A. We had a cumulative debit balance up to the end of February, but I believe that our March figures will completely wash that out.

Q. That means that you did not sell as much as you required on that basis to meet operating expenses? A. The five per cent administrative cost, that allowance of five per cent for carrying administrative cost, was relatively a debit figure, a red figure in our books. By the end of March we expect to be in the black again.

Q. And the \$500,000 loan will be repaid. I asked you the other day if you could not give us some idea as to the total dollar value of assets which you expected would be declared surplus or had been declared surplus, but you could not give me the figure. I suggest that you could give me such a figure if you cared to. I know it must be a very general estimate in any case; but in the United States various periodicals have discussed the assets of their disposal corporation. They give fairly definite figures of the material that has been declared surplus, in dollar amounts, and how much is expected. For instance, I found one article which states that by mid-1947 the value of the surplus pool should reach forty-five to fifty billion dollars; and the article went on to say that it should bring so much on the dollar; and it also states that up to the beginning of 1946, twelve billion dollars worth had been declared surplus.

The CHAIRMAN: Does it state how much on the dollar, Mr. Jackman?

Mr. JACKMAN: Yes, it does, but I do not want to give these gentlemen too low a target—ten cents or fifteen cents on the dollar—but the situation over there is somewhat different to what it is here. However, are there any journalistic figures as to the total amount; give us the total amount of surplus turned over to you and how much you expect to have declared surplus by the departments. Let us