

part in comparison to the fundamental necessity of ensuring that these men and their dependents are enabled to resume a sufficient and useful position in the civil community. We feel that far from being difficult to administer, the one central fund for all ex-service men, irrespective of the branch in which they served, and administered by one civilian tribunal on a board basis, will in fact make for simplification and uniformity in administration rather than otherwise.

7. Third Question: What moneys, if any, should be added to the fund from canteen sources in the United Kingdom.

So far as can be ascertained, the present situation in the United Kingdom is substantially as follows:—

(a) N.A.A.F.I. While no formal agreement has been reached in respect of canteens operated by the Navy, Army, and Air Force Institutes for the benefit of Canadian troops there is a working arrangement whereby six per cent of gross sales of N.A.A.F.I. is being paid to the Division served by such canteens. It appears that there may be an additional participation in N.A.A.F.I. trading profits at intervals during the war and that still further participation is anticipated when final profits are ascertained at the end of the war. Particulars of the amounts paid by N.A.A.F.I. are not available.

(b) No agreement has been completed with regard to the operation of canteens in the United Kingdom by the four national organizations, and no share of profits from such canteens is being paid either to the units served or to any central fund. Two of the four organizations, viz. Y.M.C.A. and Salvation Army operate stationary canteens, while the Canadian Legion and the Knights of Columbus operate mobile canteens. We are informed that the question of an agreement, including the question of the disposition of profits, is now under consideration.

(c) Unit Canteens. Since the summer of 1940 Canadian troops have been stationed for long periods in operational areas outside of the zone in which N.A.A.F.I. has been established with the result that units have set up canteens of their own. No information is available at Ottawa as to the number of these nor as to their sales and profits.

(d) As a result of a letter addressed to him by the Chairman outlining the work of the Committee and requesting his views, the General Officer Commanding, Canadian Corps, has cabled that in his opinion N.A.A.F.I. profits are distinct from the current rebate should go into a central fund, but that Auxiliary Services margin from overseas operations should be re-utilized directly in the same theatre for the benefit of the troops and that he was opposed to assessment on overseas unit canteens in the belief that such revenue could be applied for the benefit of troops by Unit Commanders and knowing that such action would cause strong feeling and continued resentment.

(e) With reference to the United Kingdom the Committee realizes that there may be factors in the situation which require further consideration. For example the point has been raised, although not settled, that possibly the troops in the United Kingdom have more need for canteen profits in the purchase of necessaries than in the case in Canada. The Committee is therefore of the opinion that

- (1) The residual N.A.A.F.I. profits over and above the current rebate of six per cent should be paid into the central fund;
- (2) if an agreement is reached with the four national organizations whereby profits are distributed, a portion of the profits similar to the percentage paid in Canada should be paid into the central fund;