

Complications can be summarized as follows:—

1. Requests for priority are not specific, and generally do not provide sufficient detail. For instance, if a drill press is requested, then, to permit of suitable drill presses being offered, the request must state:—
  - (a) the type of drill, whether bench, pillar, or radial, etc., etc.
  - (b) the size of drill press, giving capacity, in drill size, etc., and other details depending on the type.
  - (c) the characteristics of the electric, etc.

From this example, it will be seen that the records on drill presses alone might amount to several hundred sheets.

As regards the operations required of War Assets Corporation to give effect to priorities, I believe the routine outlined previously will indicate, without further comment, that to operate effectively, all surplus reports and availability of surplus lists must pass through one central point for screening, must be amended as necessary, a terrific system of card or similar type records must be established, and altogether these would create such a bottleneck that the task of surplus disposal will and is being slowed up to an alarming degree. We are continuously working on this problem to find an answer, but so far, no really practical solution has been found.

As regards this slowing up, I personally think that if we are to dispose of our domestic surplus to the best advantage of the public, we must sell now while the market is starved, so that when normal manufacturing gets under way, the sale of surplus will not compete with new goods and so with employment; also, we will help to fill the vacuum in the supply situation and so assist in preventing a false boom and its subsequent evils.

I referred to decentralization under sales as being essential to doing our job efficiently and quickly. If the present system of priorities is not amended, then the decentralization cannot proceed.

I do not wish to indicate by the foregoing that to use priority of claim is not a desirable feature of our disposal program, but rather to indicate that, so far, no known answer is yet apparent to the administrative difficulties of such a scheme as applied to our operations.

### *Marketing*

War Assets Corporation does, if requested, sell surplus in their possession directly to:—

- (a) Federal government departments or agencies;
- (b) Provincial governments;
- (c) Municipalities;
- (d) Public bodies, which term shall include all non-profit making organizations whose work is considered to be in the national interest.

War Assets Corporation does not, except in special cases, sell directly at retail to other than as specified in the preceding statement. In general, the policy adopted in marketing surplus has been to whenever possible take a course similar to that which the manufacturer of any such surplus would take in marketing his own merchandise and to use the channels which he would generally use. The alternative to this procedure would involve the creation of retail sales outlets by the government in sufficient number to provide national distribution, with the consequent head-on competition with established business, thus producing serious detrimental effects upon the reconversion of industry and the rehabilitation of labour in peacetime occupations, not to mention the problem of creating such outlets, in the time at our disposal.