

Mr. SMITH (*Simcoe*): I have a question which related more to what we were discussing the last day. You may have answered this and if you have please say so. I am not talking about land now. When assets are turned over to you for disposal how much discretion have you as to when they will be put on the market? Do you have to proceed immediately to sell it even though it might, for instance, distress the heavy equipment sales in a certain part of Canada? Do you have a certain discretion to delay the sale of, say, ten bulldozers, for six months or even a year, or do you have to sell them at once.

Mr. RICHARD: We have no great accumulation as a rule.

Mr. SMITH (*Simcoe*): I am not speaking of an accumulation. I am talking about the discretion you would have.

Mr. RICHARD: I suppose we would have that discretion; but I do not see any point in holding off. As a rule we try to dispose of surpluses within three months. The paper work involved, the calling for bids, and getting deliveries made does not give us much time. The alternative is to store these things and that runs up greater storage costs for the government than the higher recovery we might get for holding them.

Mr. CHOWN: Have you ever suspected that any of these major purchasers have set up shadow companies under the Partnership Act which is a very cheap way to get in a multiplicity of bids.

Mr. RICHARD: Yes. We are constantly on the watch for that.

Mr. CHOWN: I think this is the point Mr. McGrath was getting at in an indirect way. There is one way of checking, for example, through the provincial secretary's office of the province of Ontario.

Mr. RICHARD: We do not have to do that. We know them well enough to know what the tie-in is between companies. We particularly are on the watch all the time to see they do not, shall we say, gang up against us.

Mr. MCGRATH: Do you subscribe to Dun and Bradstreet.

Mr. RICHARD: No.

Mr. MCGRATH: Do you subscribe to any similar organization?

Mr. RICHARD: No. We do not give any credit.

Mr. MCGRATH: I am not necessarily speaking about credit but rather the corporate structure of some of these companies and their financial reliabilities.

Mr. RICHARD: Upon occasion we have had Dun and Bradstreet reports.

Mr. SMITH (*Simcoe*): What really does the corporate structure of these companies matter? I know it is suspected that sometimes they form a combine, but actually we cannot decide not to sell to them on the basis that we do not like their religion or politics. So long as they get the cash on the barrel head I do not think we have any discretion in the matter. I do not think it matters anyway, so long as we get the highest bid.

Mr. RICHARD: The thing we have to watch is that they do not get together. As I pointed out there is a multiplicity of names on our list.

Mr. MCGRATH: That does not mean a thing.

Mr. RICHARD: If we circulate 182 firms they have to compete with the rest.

Mr. MCGRATH: In particular I am thinking of the United States surplus sales. From time to time I have had suggestions that this is evidently going on.

Mr. RICHARD: In respect of the United States surplus sales, these people who go up to Newfoundland are, shall I say, gamblers. They must risk a large sum of money to go up there and take some of their technical men with them to inspect the surpluses, and even then they are not sure they will get anything.