

and are suitable for carrying bulk cargoes of the type which makes up Canada's principal shipping.

A real effort will be made to keep all our ships busy. Under the present arrangement there is no great change as far as operation is concerned when the owners buy the ships; the owners operate them now in every particular, except that the profits or losses go to the dominion government and the owner is paid a fee. We are running into a surplus position where the government cannot guarantee freights, and the government would not be in a comfortable position in guaranteeing an operator a fee and taking the profit and the loss. We think the time has come when the operator should either buy the boat or lease it on a time charter. That is the only change contemplated.

Mr. GREEN: Are there any provisions for credit being given to buyers?

Mr. HOWE: Yes. I shall be glad to bring the terms to-morrow; I have not them at the moment.

Mr. ADAMSON: Four ships have been built by Vickers, I think, for the Brazilian government or a Brazilian company. That was a private charter; I take it that the Department of Munitions and Supply had nothing to do with it?

Mr. HOWE: We had nothing to do with that.

Mr. ADAMSON: A private charter between the Vickers company and a Brazilian shipping line?

Mr. HOWE: It is not a charter; it is a building contract.

Mr. ADAMSON: A contract to build the ships, yes.

Mr. ZAPLITNY: The minister mentioned fees a couple of times. I should like to know on what basis these fees are worked out. Is it on a basis of tonnage or mileage, or is it on cost plus? On what basis are the fees paid to the private operators of these ships?

Mr. HOWE: I will bring the schedule of fees. I have not it here to-day. It is a fee for the management of the ship. There is a certain scale worked out, depending on the type of voyage and the nature and kind of ship. The management fee runs between \$40,000 and \$50,000 a year to the owner.

Mr. ADAMSON: Do the management run the ship and pay the crew?

Mr. HOWE: No. They pay their agents in various ports, and their head office expense.

Mr. HAZEN: Who fixed the rates which are charged for the carriage of freight by Park Steamship Company?

Mr. HOWE: The freights are fixed by the united nations pool. The rates are published by the pool for various voyages.

Mr. HAZEN: The minister has told us that these ships have earned about \$100 million while they have been in operation. Who paid the money that these ships earned? Did most of it or a great part of it come from the dominion government; or what part of it did come from the dominion government directly or indirectly?

Mr. HOWE: I should have to break down every voyage to determine that. We delivered our goods at seaboard in practically all cases. I think there are very, very few cases where the cost of shipping goods was a Canadian cost unless for goods destined for our own troops. Our ships have been in all the seven seas, and every country has paid the freights.

Mr. COCKERAM: What were the earnings of Park Steamship company in this period, and where shall we find an offsetting entry for the profit that the minister says was made on these operations? Is this in addition to the profit that has been made?

Mr. HOWE: The profit has nothing to do with the cost of the ship. As my hon. friend knows, the profits are paid into the receiver general of Canada, and they will be found in the auditor general's report. The cost will be found in the auditor general's report as a cost of the war.

Mr. GREEN: Is the cost of freight included in Mutual Aid?

Mr. HOWE: No.

The CHAIRMAN: Is the item carried?

Mr. LENNARD: How can we decide to carry it if the minister is going to bring down information to-morrow on certain items? More questions may be asked if these answers are not satisfactory.

Mr. STEWART (Winnipeg North): This afternoon I passed certain strictures on the Minister of Munitions and Supply; he informed me that they should have been allotted really to the Minister of Reconstruction. I do not want to make that mistake to-night. I want to discuss Wartime Housing Limited. Am I right in supposing that the minister is responsible for that, under this item?

Mr. HOWE: That is the next item.