

Sir HENRY THORNTON: I do not think that we have any vessels in the Lake trade.

Mr. TEAKLE: We disposed of those. There was no business for them. They were tied up.

Sir HENRY THORNTON: These vessels were amongst those disposed of last year.

Mr. POWER: Could you tell us what has become of the ships that were disposed of? That is in what trade they are.

Mr. TEAKLE: I think I can answer that now. Some of the ships we sold are tied up in St. John; their new owners are not able to operate them. One ship is operating on various trades. One ship was sold to a subsidiary company of our own and will be operated in connection with the railway, on the Great Lakes. The others are sold to Mr. Paterson, who has a grain business and elevators of his own. He is operating those. Others were sold to foreign buyers and I do not know what became of them.

Mr. JELLIFF: Did you say some are operating on the Lakes?

Sir HENRY THORNTON: We sold one ship to the Canada Atlantic Transport Company, which is a subsidiary of the Canadian National Railways, and that vessel is operating on the Great Lakes.

Mr. JELLIFF: If that pays them, would it not pay us.

Sir HENRY THORNTON: The circumstances were peculiar. We needed a vessel to supplement the fleet of this subsidiary and we found it was cheaper and better to take one of our own ships and use it, than to build an entirely new ship.

Sir EUGENE FISET: With regard to the sale of those ships, Major Bell has told us that the money was credited to the Receiver General; that he was compelled by law to do so. I feel inclined to doubt, to a certain extent, that statement. I think if the money had been deposited to a special account, to be drawn upon by Order in Council, which is absolutely legal, it could be used towards the purchase of a ship or otherwise. That has been done in other circumstances. Why has the procedure been changed?

Mr. BELL: The Canadian Government Merchant Marine got the ships from the government and gave their notes. When they sold a ship, that note must be cancelled, and the only way the government would cancel would be by paying on account and then writing off the balance. That goes back in the Receiver General's account. Supposing the sale of those boats amounted to millions, you might as well take it and start a transcontinental service if that procedure could be followed.

Sir EUGENE FISET: All the orders in council which you have passed, dealing with such sales, are tabled in the House and they become ipso facto the money of parliament.

Mr. BELL: It would be illegal for us to use that money over again in the purchase of ships.

Sir EUGENE FISET: I think it could be used in another way, and I think it would be to the advantage of the Merchant Marine if that should be done.

Mr. BELL: But, you know we are not working under war conditions now.

Sir EUGENE FISET: I will give you an instance. Money was obtained from the sale of certain lands. This was deposited to special account by Order in Council purely and simply. I should think the same thing can be done with regard to the sale of land or the sale of ships.

Sir HENRY THORNTON: We were guided by competent advice which we necessarily had to follow. If there is any way in which we can hold on to the moneys received, I have not any objection to doing it.

Mr. CLARK: If the shipping business was normal and the ships were operating at their full capacity, do you anticipate that you could pay your operating