

The ACTING CHAIRMAN: Are there any further questions with regard to pages 6 and 7? If not we will pass then to the profit and loss account and income account on pages 8 and 9. Are there any questions in that regard?

Mr. KINLEY: With regard to his boat, *Canadian Planter*, that was lost, I notice that in the first part you say, "The tenth vessel, *Canadian Planter*, was in collision with the *City of Auckland* on May 3, 1936 and had to be withdrawn from the sale to the M.A.N.Z. Line as was later sold at sheriff's sale." Did you fix the liability for that and settle who was liable for the collision? Have you fixed the responsibility?

Mr. HUNGERFORD: That whole matter was settled by agreement. There were suits and cross-suits, and there was considerable complication in connection with it. However, it was finally settled by joint agreement.

Mr. KINLEY: Was the crew of the *Canadian Planter* exonerated?

Hon. Mr. STEWART: There was no trial.

Mr. KINLEY: It is very important to know whether the crew was exonerated.

Mr. HUNGERFORD: The investigating board placed a certain measure of blame upon both ships, and the matter became exceedingly complicated because the vessel was towed into American waters and dealt with in American ports. Taken altogether it resulted in a very bad legal tangle.

Mr. KINLEY: Did both ships have a pilot on board?

Mr. HUNGERFORD: I understand so.

Mr. KINLEY: And was not the pilot held responsible for the accident in each case?

Mr. HUNGERFORD: Well, apparently not.

Hon. Mr. HOWE: The captain is always responsible even though a pilot is on board.

Mr. KINLEY: That is what I want to know. In this case it is not fair to the crew of the Canadian ship if the responsibility is not fixed. A captain can make only two mistakes—in fact, he can make only one; and if he comes out of the incident with a cloud over him how is he going to get a job?

Mr. HUNGERFORD: Both ships were held responsible. The suits were instituted on behalf of the shippers of the cargo, and there were cross-suits.

Mr. KINLEY: Both ships, I suppose, were insured, and you were not thinking about the matter.

Mr. VAUGHAN: Yes, they were both insured.

Mr. KINLEY: Did the insurance company file suit against the other ship?

Mr. VAUGHAN: There were threatened suits and the matter was settled really between the lawyers of the various companies.

Mr. KINLEY: Between the lawyers of the insurance companies?

Mr. VAUGHAN: Yes. In our case our boat was insured in our own fund.

Mr. KINLEY: You did not make any loss, did you?

Mr. VAUGHAN: We made some loss, but were insured.

Mr. KINLEY: For how much was the ship insured, may I ask?

Mr. VAUGHAN: I do not remember. Anyway, most of the loss in that connection would be charged up against the Canadian Government Merchant Marine insurance fund.

Mr. KINLEY: She would be insured for a lot more than you sold some of them for. She was well sold, eh?

Mr. BOTHWELL: I direct your attention to page 8. I was wondering if that item \$41,000,000 odd represents the cost to the Canadian government of operating the Canadian Government Merchant Marine?