

Mr. COLDWELL: With all due respect I think we agreed to allow these items that we have discussed to stand. No item has been passed.

Mr. MACKENZIE: Oh, yes, three items.

Mr. COLDWELL: Not actually passed.

Mr. MACKENZIE: Yes.

Mr. COLDWELL: I understood they were to stand.

Mr. MACKENZIE: If my hon. friend will look up *Hansard* of last evening and note the remarks of his colleague, the hon. member for Vancouver East (Mr. MacInnis), he will see what happened.

Mr. COLDWELL: I will.

The CHAIRMAN: I think we are in agreement to this extent; if there are any questions to be asked with respect to the answers the minister made to-day, they are in order.

Mr. MACDONNELL (Muskoka-Ontario): Coming back, perhaps rather tiresomely, to this \$430,000, I want to know if that commission was paid to the same people who received a large amount for managing these steamships. My recollection is that one name is the same, but I just want to make sure. The figure given by the minister would indicate a commission of ten per cent; the minister says he thinks that is wrong, that it should be only seven per cent. Until a correction is made, I think the figure of ten per cent holds the field. I want to be on record as saying that that seems to me to be a particularly large amount to pay to people who were already receiving management fees. On the face of it, it appears to be an extravagant amount.

Mr. HOWE: It was not paid to those who had received management fees; it was paid to a brokerage firm, which I understand is the largest firm on the continent. The amount was seven per cent. I am not sure who prepared the memorandum I have, but I am sure that the amount is wrong. I made it clear that we objected to paying any commission over five per cent, and we refused to pay any commission over seven per cent. I am told that it is customary in the trade for a broker to offer for a ship with the commission reserved; in fact I think most ship sales are made in that way.

Mr. ADAMSON: Was it the same broker in each case?

Mr. HOWE: No. There were ten French ships and one Scandinavian ship offered through the same broker.

(The Chairman.)

Mr. JACKMAN: What foreign countries had on order ships to be built in Canada at the time the ships in question were being sold?

Mr. HOWE: I think the only order was one from Brazil.

Mr. JACKMAN: The French order did not come through?

Mr. HOWE: The French had called for tenders, but the order had not been placed.

Mr. MACDONNELL: I should like to know more about this contract. The minister told us that he thought five per cent was high enough, that that is the usual figure. But I am still not satisfied, and I hope we are to get further figures which will give the matter a much better complexion than it bears at the present time. I have some understanding of the difficulties of selling and of the commissions which should be paid, but everything the minister says makes me feel more and more that this was loosely and carelessly done.

Mr. HOWE: There was nothing loose about the net price paid to the dominion government, which after all is the essential point.

Mr. MACDONNELL: I find that very difficult to understand. I would want to get the highest price I could get for the Canadian people, and I would not be satisfied to get just a certain price which might be in my own mind if I thought the brokers were getting a little more than they should get. That reasoning does not go down with me at all.

Mr. HOWE: Perhaps we will let my hon. friend sell the other 315 ships.

Mr. MACDONNELL: We may have a chance later.

Mr. ZAPLITNY: The minister gave a figure of \$4,350,000 for agency and commission fees. Will he give us a break-down of that figure?

Mr. HOWE: I am afraid I cannot do that, because it would be necessary to take every voyage and give the port charges on every voyage. These are out-of-pocket expenses paid to ships' agents in foreign ports and for stevedoring in foreign ports. The first figure I gave represented the total commissions paid to the operators for voyages, and the second figure represented the out-of-pocket expenses of these agencies for services abroad.

Mr. FERGUSON: Who set the price at which the Fairmile boats were sold, and why were these Fairmiles sold for \$3,000? Upon