

Sir HENRY DRAYTON: But the nucleus has now disappeared.

Sir HENRY THORNTON: Yes.

Major BELL: You cannot use the money you got for these boats without the authority of Parliament.

Hon. Mr. DUNNING: It would have to be revoked.

Sir HENRY DRAYTON: It has gone—

Hon. Mr. DUNNING: "Gone" is hardly the right word. It has gone back to the Dominion Government; we got the money for them.

Mr. JELLIFF: You say twenty per cent was paid in cash? How was the balance secured?

Sir HENRY THORNTON: By notes, and of course, a mortgage on the vessel. The equity in the vessel was the additional security, and the usual terms under which the purchaser kept up the insurance and repairs and all that sort of thing, and made his payments from time to time as they fell due.

Mr. JOHNSTON: That would be a deferred payment plan?

Sir HENRY THORNTON: Practically twenty per cent down, and deferred payments after that.

Sir HENRY DRAYTON: And I suppose the usual mortgage on the boat?

Sir HENRY THORNTON: Yes.

Mr. JOHNSTON: Were the deferred payments made by the purchaser?

Sir HENRY THORNTON: All except in one case. In one case, I think, the purchaser fell down, and we took the note back.

Sir HENRY DRAYTON: Sir Henry, referring to what you wanted two years ago, when we discussed the moneys we had on hand from insurance and so on, as in case of future purchases of boats, treating it as a company which had just so much money with which to operate; as I recollect, you desired boats with proper cold storage to handle the West Indies business. With two extra years experience, were you right or wrong in wanting those boats.

Sir HENRY THORNTON: I think I was right, and I should be even more emphatic than I was two years ago.

The CHAIRMAN: Is that on account of the West Indies Treaties?

Sir HENRY THORNTON: Partly that, and as far as I am concerned, a greater faith in the West Indies trade.

Sir HENRY DRAYTON: It is two years ago and your reasons then were that while you had worked up a fairly good trade, in your view it was nothing to what could be done had you proper facilities to offer the business.

Sir HENRY THORNTON: That is right.

Sir HENRY DRAYTON: Your emphasis being particularly strong upon those cold storage requirements for tropical countries, which seemed to me, I might say eminently reasonable.

Sir HENRY THORNTON: Yes, you would hardly put in a heating plant to carry bananas from Jamaica to Halifax.

Mr. JELLIFF: Did your West Indies Trade increase materially last year?

Sir HENRY THORNTON: Mr. Jelliff has touched upon a point in connection with the profits of different voyages, and I would say that it is essential in the interests of the company and the Merchant Marine that that information should be given privately. We can show it to you but I do not want to draw attention to any particular trade route that we are serving which is highly profitable.

Mr. CLARK: The information has been given in the past with regard to the profits made on the Pacific coast shipping. I was just about to ask you a question now as to a comparison between the profits made on the ships operating on the Pacific and those operating on the Atlantic, and I think the Committee should have this information.

Sir HENRY THORNTON: I think you should, and I want you to have it, but I do not want to give away what few good lines we have got and have some