

Mr. GREEN: That is a pretty good way to dodge out of a responsibility.

Mr. HOWE: Mr. Chairman, just a minute—

Mr. GREEN: Always we get this story: If you will go and make a charge and put your seat in jeopardy, maybe something will be done about it.

Mr. HOWE: The war expenditures committee meets every day. I have attended the meeting to-day; and the war expenditures committee can investigate it at any moment they like.

Mr. GREEN: Here is a case where the minister admits that the deal was a bad deal, and everybody knows that. He talks about putting it through the boat dealers. Well, a boat dealer could have bought a boat at \$3,000, paid the penalties provided for a resale—which I believe is an unusual term in disposing of these assets—and still make a profit, because here is the way it figures out—

Mr. HOWE: He knows that now, of course, but may I point out that they refused to handle them even on consignment.

Mr. GREEN: I do not think the minister will contend that the boat dealers on the Pacific coast were told or knew anything about this deal.

Mr. HOWE: I assume that they were all members of the Fairmile association.

Mr. GREEN: Will the minister say they were told before the sale that these boats were for sale, or the terms of the sale?

Mr. HOWE: Yes.

Mr. GREEN: Because that is not my information. I believe they were completely surprised; that the sales were made behind their backs.

Mr. CARDIFF: Does the government or the appropriate authority make any attempt to get a valuation before surplus war assets of this kind are offered for sale?

Mr. HOWE: We obtain the best valuation we can get from the most expert people we can find. In this case we took the valuation of the men who built the boats, their opinion of sales price. We also took other advice. There was no interest taken in the boats. They were offered for five months and they were all sold the last month before the close of navigation.

Mr. CASE: Was the \$3,000 net? Was any brokerage or commission paid in connection with the Fairmiles?

Mr. HOWE: No.

[Mr. Howe.]

Mr. CASE: Did the advertisement say anything about the price, or just advertise for sale?

Mr. HOWE: It just advertised for sale.

Mr. COCKERAM: Last night, in reply to a question of mine, the minister was good enough to give me a list of the operators of the steamship companies. Subsequently I asked a question as to the commission that had been paid, and the minister, in his usual evasive manner, told me he could not answer that question. Now in this list of operators I see the name of H. E. Kane and Company Limited, who, I am told, have never operated ships but are purely shipping brokers. What commission has been paid to that firm over a period of years, and what was the justification of putting in charge of ships people who have never been in the shipping business?

Mr. HOWE: I shall be glad to give the committee the information as to the amounts of commission. I have known the firm of H. E. Kane and Company for some time, and I thought they had never done anything but shipping business.

Mr. COCKERAM: Shipping brokers, not the shipping business. They are like those people to whom you sold the ships.

Mr. BLACK (Cumberland): I should like some information from the minister in regard to the equipment on these Fairmiles. There is some confusion in this matter, and it applies not only to this class of ships but to others. I understood from the hon. member for Vancouver South that these Fairmiles were sold on the Pacific coast with the equipment intact, while on the eastern coast they were sold with equipment stripped. The rumour is current, and I think it is only fair to the department that it be cleared up, that this equipment, including clocks, compasses, rope, paint, oil, engine room gear, range appliances, grinders, chart room gear, galley pots, pans and dishes, wardrobe fixtures, linen, silver, mattresses and blankets, was removed from these ships while tied up in storage at Sorel, without proper authority, and held for the department—taken off by private individuals. I am not making that charge, but this report is current, and I think it is proper that the minister tell us what became of the equipment taken off those ships, whether it went to the credit of the department, or the naval services, or whether it went into private hands. If it did go into private hands, what payments were made to the department in settlement for the equipment taken off these ships.