

Demobilization—Munitions and Supply

Canadian registry. Will it be satisfactory to the hon. member if this information is placed on *Hansard*?

Mr. GREEN: Yes.

Mr. HOWE: It is as follows:

10,000-TON VESSELS

Type

(a) "Canadian" (Scotch Boilers—Oil burners)	\$625,000
(b) "Victory" (Water tube boilers—oil burners)	600,000
(c) "North Sands" (Scotch Boilers—coal burners)	575,000
Reduction \$25,000 per vessel up to three	
Floor price—(a) \$575,000 (b) \$550,000	
(c) \$525,000	
Depreciation 5 per cent ordinary and 3 per cent special (war) depreciation on asking price up to 2nd March, 1946; thereafter at 6 per cent.	

4,700-TON VESSELS

(a) Tween deck type	\$475,000
(b) Improved type	450,000
(c) Original type	425,000
Reduction \$15,000 per vessel up to three.	
Floor price, (a) \$445,000; (b) \$420,000	
(c) \$395,000.	
Depreciation 5 per cent ordinary depreciation plus 3 per cent special (war) depreciation on asking price, up to March 2, 1946, 6 per cent thereafter.	

Terms of payment:

- 10 per cent on signing contract.
- 15 per cent on delivery.
- Balance—75 per cent in fifteen (15) equal annual instalments.
- Amount outstanding to bear $3\frac{1}{2}$ per cent interest.
- Buyers to have option to pay balance at any time without prejudice or penalty.

Delivery will be made within thirty days of cessation of U.M.A. control which is presently indicated as March 2, 1946, or of the date commercial liberty is given Canadian flag vessels, whichever of the two dates comes first.

The next is a question by the hon. member for Eglinton regarding wartime housing.

Mr. MACDONNELL (Muskoka-Ontario): May I ask the minister to elucidate one point? I understood him to mention a commission of \$43,000. If I understood him correctly, this was for the sale of a ship at a price of \$430,000; is that correct? I understood the minister to give that figure of ten per cent, and if so it struck me as a generous, if not a most extravagant, commission.

Mr. HOWE: I think there is an error in my statement, and I should like permission to check on it. It is my understanding that the brokerage fee was seven per cent, and that does not agree with the figure I have given.

Mr. MACDONNELL (Muskoka-Ontario): Well, that sounds better than ten per cent. I

[Mr. Howe.]

hope it is only seven, although for such a large amount even that would seem to me an extravagant commission.

Mr. HOWE: We look at the net price. If a broker offers a net price which conforms to our schedule for the sale of ships, we worry less about the brokerage than we do about the net price.

Mr. MACDONNELL (Muskoka-Ontario): How far would the minister carry that? Does he not care what the broker gets?

Mr. HOWE: Oh, yes. We have had proposals put to us which involved brokerage fees that obviously were not legitimate, and in such cases we have refused to consider offers. Nevertheless, a seven per cent brokerage fee for the sale of ships is not extravagant, because the broker performs certain services that involve expenditures. Ordinary fees for ship brokerage run between five and seven per cent.

Mr. MACDONNELL (Muskoka-Ontario): Did the same broker sell all these ships?

Mr. HOWE: The broker offered for ten ships.

Mr. MACDONNELL (Muskoka-Ontario): Did he get a commission of \$430,000?

Mr. HOWE: I will give the exact particulars.

Mr. COLDWELL: This was a deal between two governments. Was it necessary to have a broker when the governments would have their own inspection services?

Mr. HOWE: It was only after we had accepted the offer that we discovered it was an offer from a government. The brokers offered for an unknown party. That is the usual practice. When we found out we immediately took steps to advise the French government that in the future we would not deal through brokers; if they wished to offer they could deal direct and the transaction would be on that basis.

Mr. MACDONNELL (Muskoka-Ontario): Who was the broker?

Mr. HOWE: The American Ship Brokerage Corporation of New York.

Mr. COCKERAM: What service did the American Ship Brokerage Corporation give for that amount of commission?

Mr. HOWE: I am told that there are services; otherwise I presume that brokers would not get a commission. I am told that this is the usual commission. I am sure my hon. friend does not know any more about it than I do.