

Mr. HOWE: Yes, a broker in New York. The offer was made in United States funds. We have credit arrangements with France. The committee might say that France could have come to us and offered to buy those boats and asked us to sell them on credit, which we would have considered. However, they did not do that. We had no way of suspecting that the French government was involved. It was simply an offer from a broker. The offer seemed satisfactory. We were anxious to sell the boats where they were, rather than bring them back to Canada. We accepted the offer, which I am told by shipping men was a perfectly legitimate offer.

My hon. friend has raised the question whether a proper ship broker's commission is seven per cent. I shall be glad to get some evidence on that point. I think he will agree that if it is the proper percentage, we were right in paying it. It boils down to that. I shall endeavour to make inquiries and give my hon. friend opinions on that point.

Mr. MacNICOL: The Indian Affairs branch of the Department of Mines and Resources from time to time have an item in the estimates asking for so much money for the purchase of boats for the Indian agents. Did the Indian Affairs branch know that these boats were to be sold, or whether they would be satisfactory for their agents? If so, was any action taken to see whether or not the Indian Affairs branch could use them? I remember on one occasion we paid as much as \$9,000 for repairs on one small boat for the Indian Affairs branch. If these boats have been sold for \$3,000 apiece, it would have been better to buy three for the agents than pay \$9,000 for repairs.

Mr. HOWE: I am sure that that situation is protected, because all these assets have to be cleared through the war assets allocation committee. Deputy ministers of the departments are members of that committee, and they would have the information.

Mr. ROWE: What harm would have been done if the last of those boats had been sold for more than was received for the first lot? I cannot follow the minister's line of reasoning when he says that because he had evidence that some of them were sold cheaply, he could not get three times as much money for those that were left.

Mr. HOWE: No particular harm would have been done, but we try to operate this on a one-price basis. When we sell automobiles, we try to sell them in all parts of Canada at the same price, with the usual differentials that are followed by the dealers. Ordinarily if we are selling a corporation

surplus assets we fix a price for each unit and sell all at that price. I am not suggesting that the sale of those western Fairmiles was well done. I think it could have been done better.

Mr. GREEN: It was pretty badly done, actually.

Mr. HOWE: Perhaps so, but my hon. friend will find that as regards selling this kind of merchandise for which no peace-time use is known or can be predicted, retrospect is a lot better than the decision at the moment.

Mr. GREEN: Well, it was not quite that simple. The seven boats were bought by one man for the tourist trade, and several business executives who got most of the remaining boats were simply told, apparently by War Assets Corporation, to submit a cheque for \$3,000 and they would get the boats. I understand that there was loose equipment on the boats—blankets, telephones and so on—worth over \$3,000 on the market at the time. Why did War Assets Corporation not follow their regular course of having these boats offered to the dealers? Apparently no offer was made to men in the business of handling boats; they were completely ignored, and these sales were put through from Ottawa. Is it not the practice that War Assets Corporation shall sell through dealers in each line?

Mr. HOWE: Mr. Chairman, I read the extract from the report of the dealers, the Fairmile association, the manufacturers of the boats, who we thought were the dealers: they would not even handle them on consignment. Perhaps I can get a statement from my hon. friend which may be very helpful: has he no objection to selling articles at one price on the east coast and at a much higher price on the west coast?

Mr. GREEN: If the government gives them away on the east coast, I suppose it might as well give them away on the west coast. But actually this is a very bad deal, and I think it should be investigated further by the department; in fact I am not sure that it does not warrant some independent investigation. A deal of this kind shakes—

Mr. HOWE: May I point out that a committee has been set up with no other purpose than to investigate these deals? If my hon. friend will make a charge, it can be investigated before the public accounts committee, or if not, it can go before the war expenditures committee.