

the government entering upon our very large shipbuilding programme at that time, because the ships built by the Imperial Munitions Board were built for Great Britain. They were put under British registry, and could not be used in conjunction with our transcontinental railway system, or in opening up new trade routes and expanding our export business. I consider, therefore, that this government acted wisely in informing the representative of the Imperial Munitions Board here that Canada would no longer advance loans to the British Government to have ships built for England, in Canadian yards and under British registry, but rather that it was the Canadian Government's policy to build their own ships, pay for them with their own money, and operate them for the national benefit of Canada. I will mention the ships that were built for England in other countries during the war, because I conceive that this information may be of much interest to the house. England ordered to be built in the U.S. 13 steel ships at £41,710, equivalent to \$200 a ton; in Japan, 19 at a cost of \$44,17.8, or \$214 a ton; to be built in China, or at least to be assembled there, 3 ships at £41, or \$199, a ton.

Since the beginning of this year, Norwegian interests placed orders for cargo ships of 9,500 tons deadweight, with shipbuilding firms on the Clyde, at \$162 a ton, as compared with the price in this country, for the same size of vessel, of \$167.50 a ton; and a cargo ship of 7,750 tons d.w., 11 knots, oil fuel, was contracted for recently by one of the companies engaged in transatlantic business, at \$220.35 a ton.

**Operation of Steamships.**

The routes on which the Canadian Government Merchant Marine Ltd. has placed its ships now in service are: Canada to Liverpool; Canada to Glasgow; Canada to London; Canada to Brazil and Buenos Aires, calling at Pernambuco, Santos and Rio; Canada direct to Havana, three sailings through the present month; Canada to Barbadoes, Trinidad and Demerara; Canada to Havana, Cuba and Kingston; Vancouver to New Zealand and Australia. These are the routes on which our ships are already sailing, and the proposed additional routes on which the Canadian Government Merchant Marine will place our other vessels as they are ready to be put into commission are: Canada to other United Kingdom ports such as Manchester, and looking into the possibility of moving traffic to Ireland via Queenstown; extending the Jamaica service to Venezuela; weekly or fortnightly service from Montreal to St. John's, Newfoundland, calling at Charlottetown, when traffic offers during the season of open navigation, and the rest of the season from Halifax; considering a service to the Orient when vessels are available; looking into the possibilities of a service to India and, if conditions warrant, such a service will be established; considering a service from Vancouver to South Africa and return via Singapore and Hong Kong; investigating conditions regarding a service from British Columbia ports to the west coast of South America.

I should like to make a public appeal to Canadian manufacturers to bestir themselves and to show more interest in Canada's export trade than they have shown during the past years. If Canada is to throw off her great financial burden it is indispensable that this country should have a larger export trade than

we enjoy at present. The government have done their part by building up this large and efficient merchant marine. We have railway connection, and I have had placed on board these vessels, with accommodation for luggage and samples, additional staterooms in order that our manufacturers may be able to send their commercial travellers to these foreign countries on board Government ships. Our Government Merchant Marine is a great advertising medium for Canada, and for our products generally. As members are aware, the name of every one of our ships has the prefix "Canadian" before it; for example, "Canadian Pioneer," "Canadian Voyageur," "Canadian Seigneur," etc. When our ships are in port they fly from the top mast the house flag, a white flag with a red cross and a beaver in the corner. Any one will at once recognize a Canadian ship, first by the name, and also by the house flag she flies while in port. I do not know of any better way in which Canada could advertise her own interests and develop the possibilities of the country than through the instrumentality of the Canadian Government Merchant Marine, the ships of which will shortly be sailing the seven seas of the world. These ships will prove of the greatest assistance to this country in the matter of imports. They were not built to carry manufactured products only. They are intended to carry the products of the mines, the fisheries, the forests and the field. They will prove of the utmost importance and value to Western Canada, which has such vast quantities of grain to ship. These products will travel first of all over the government railways, and our merchant marine will distribute them to the various ports of the world to which they are destined. Continuity is maintained, the grain being handled by the government system of railways until it reaches the seaboard, where it is transferred to the Canadian Government ships. And if the time should ever arrive when Canada will be discriminated against in any way, although I trust that such a possibility is very remote, then she has within her grasp the right to regulate the rates of freight on the products of the farm, the manufacturers of the country, and all our natural products, from the point of shipment right through to the point of destination. Under all the circumstances, therefore, the Canadian Government Merchant Marine is filling a long felt national want. It may be of interest to members to know what kind of cargoes our vessels have so far been carrying. They are as follows from Pacific ports.

- Canadian Volunteer—Genoa Bay to Garston, Eng., 2,085,569 ft. of lumber.
- Canadian Trooper—Vancouver to London, 1,956,216 ft. of lumber.
- Canadian Aviator—Vancouver to Garston, Eng., 1,934,938 ft. of lumber.
- Canadian Raider—Genoa Bay to Melbourne, 2,005,857 ft. of lumber.
- Canadian Importer—Vancouver to Melbourne, general cargo, consisting principally of corsets from Dominion Corset Company, Quebec; sewing machines from Cleveland; rubber tires from Goodyear Rubber Co., Toronto; underwear from Hamilton; bicycles from Western Ontario; newsprint from Canadian Export Paper Co.; chocolates from Toronto; newsprint from Powell River Co., B.C.; canned herrings from Canadian Fishing Co.; mantles, lumber, laths, whitelead, etc., from various shippers. This will give some idea of what a general cargo means.

Referring to our smaller ships that are on the West Indian route, members will be interested to know the vast quantities of raw sugar that were brought from the West Indies to Montreal, Halifax, and St. John, N.B. If it had not been for the Canadian Government ships there would have been a sugar shortage in this country. The sugar carried from the West Indies to St. John and Halifax was 47,266 tons. The total tonnage at present loaded and en route to St. John and Halifax is 14,155 tons. In addition to the above these ships have undertaken to load before the end of April and deliver at Canadian ports 28,400 tons, making a grand total of 89,821 gross tons, valued at \$13,164,160.40.

The number of voyages that our ships have made to Feb. 6, 1920, is as follows:

To West Indies .....	27
To Buenos Aires .....	4
To London .....	5
To Liverpool .....	9
To Glasgow .....	1
To United Kingdom, from Vancouver, via Panama Canal .....	3
To Bordeaux .....	1
To Havre .....	1
To Australia and New Zealand .....	1
To St. John's, Newfoundland .....	4
	56

It is not often that ships, railways or other things are managed and operated by governments in such a way as to show a balance on the right side, but I am happy to say that from the figures I will give in a moment you will see that although 19 of these ships have only been in service for a short time, not one of them having been in service for a full year, the balance is on the right side. I wish to explain how the net earnings are arrived at. The Canadian Government Merchant Marine follows good business practice. It had to put on a new organization and to open up new trade routes. After providing for organization, overhead expenses, operating expenses, depreciation, insurance and 5½% on cost, the ships have made a remarkably good showing. I think it is only fair that as Minister of Marine, and on behalf of the government, I should pay a tribute to D. B. Hanna and his board of directors of the Canadian Government Merchant Marine for having accomplished such a fine result as I am going to refer to in a moment, notwithstanding all the difficulties inseparable from new routes and a new organization. I am immensely pleased, as the minister responsible, so is the government, and I am sure that members and the Canadian people will also be pleased.

The profit statement is as follows: Up to Dec. 31, 1919, there were delivered 19 ships. Many of these were received during the late summer and autumn, so that only 13 had completed voyages by the end of the year. Routes were opened to South America, West Indies and the United Kingdom. By Dec. 31, 28 voyages had been completed. The total gross earnings of all boats amounted to \$3,448,030.25, and the net earnings to \$1,406,000. This net will provide interest at 5½% on the government's investment, full reserve for depreciation and a handsome margin in addition. These earnings are held by the company in the shape of bank balances, Victory Loan bonds and accounts receivable. In view of the fact that many of the ships were only in service for a portion of the year, and also as the initial expenses in placing ships in service are extremely heavy, I think you will agree with me that the operations of the Government's Merchant Marine present an exceedingly satisfactory