

## Supply—Transport

Railway and steamship services—  
691. Prince Edward Island car ferry and terminals, \$825,090.

Power Commission in relation to power development; there is the company, operating on land leased from the crown in right of the dominion—and the company has unquestionably sustained damage to its property in excess of \$2.5 million—and then there is the federal government with an interest in this situation in two respects, first of all, as the lessor of the land and, second, in respect of the navigation on the river and canal. This whole subject was very carefully studied. It came before the treasury board, and this proved to be a way of bringing about a settlement of a tangled situation. On the whole, this was thought to be the most successful way of bringing the matter to a conclusion.

**Mr. Chevrier:** If I understand the matter correctly, then, it is one which appertains both to power and to navigation; to navigation, because of the interest which the Department of Transport had in the lease with the Canada Starch Company; and to power, because of the flooding that took place, or which would have taken place, to the premises of Canada Starch had it not been for the construction of the dike to protect the company's property. I suppose that the agreement reached, from what the minister says, was a solution in dollars and cents covering the compensation to be paid to Canada Starch, part of which was paid by Ontario Hydro, in so far as the power developments is concerned, and part by Canada in so far as navigation is concerned. If that is the case, I can see no objection to this.

Item agreed to.

## Marine services—

690. Nautical services, including Canada's share of the cost of the North Atlantic ice patrol; grants and contributions as detailed in the estimates; rewards for saving life from vessels in distress; subsidy to a salvage company; and the payment of expenses, including excepted expenses, incurred in respect of Canadian distressed seamen as defined in section 306 of the Canada Shipping Act—further amount required, \$4,880.

**Mr. Chevrier:** Can the minister give some indication of what is Canada's share in the cost of the North Atlantic ice patrol? I know this situation has been going on for some years, and while this is a small item I presume the minister is in a position to give us the cost of the patrol.

**Mr. Fleming (Eglinton):** The share of the federal government used to be 50 per cent. It is now 70 per cent.

Item agreed to.

**Mr. Chevrier:** Can the minister tell the committee whether or not the government intends to build a new car ferry for service between Prince Edward Island and the mainland? The minister may remember that every time this estimate comes up, that question is asked, and I think the Minister of Transport has initiated some surveys which, I believe, indicate that an additional ferry vessel is required. I wonder if the minister could give some indication that such will be forthcoming?

**Mr. Fleming (Eglinton):** I think I shall have to ask the hon. member to reserve that question for my colleague, the Minister of Transport, on his main estimates. The hon. member is, of course, aware of the third vessel, the S.S. *Scotia No. 2*. In April 1959 the treasury board gave approval in principle to the proposal to supplement the existing ferry services with that vessel. But as to additional ships, I think I must ask the hon. gentleman to reserve his question for the main estimates. There is nothing here dealing with it, anyway.

**Mr. Hellyer:** Is the vessel S.S. *Scotia No. 2* presently under construction?

**Mr. Fleming (Eglinton):** It is in dry dock.

**Mr. Chevrier:** It is not a new ship?

**Mr. Fleming (Eglinton):** No, there is a modification being carried out on it.

**Mr. Hellyer:** Modifications to an existing vessel which is being converted for use as a car ferry.

**Mr. Fleming (Eglinton):** That is right.

**Mr. Chevrier:** Would the minister bring to the attention of his colleague, the Minister of Transport, the question raised on this side as to whether it is proposed to add a new ferry to the present facilities?

**Mr. Fleming (Eglinton):** Yes. As a matter of fact I think this matter was referred to in the house not very long ago by my colleague the Minister of Transport, and I believe reference was made to the fact that tenders had been called for the new ferry.

Item agreed to.

692. Newfoundland ferry and terminals, \$649,886.

**Mr. Chevrier:** I wonder whether the minister could tell us what the operation of this ferry cost during the present fiscal year? Was there a deficit and to what amount on the operation?