

say, the Government is not always taking it as an asset, but may be taking only the use of it for a time.

The Bill, as I am informed, follows in the main the British Act passed last year.

Hon. Mr. DANDURAND: Yes.

Right Hon. Mr. MEIGHEN: If so, it is probably all right. The Minister says the basis of expropriation—which, no doubt, means the basis of taking the property, not of taking the use of it—is the value prior to the war. Would that apply where you take the use of a vessel or a plane?

It is quite fair to say that values of ships and aircraft are higher now. Ships are certainly higher in value. It is hardly fair to say the value is artificially higher. It is higher for a reason very well known. A company would find it exceedingly difficult to replace its ships at this time. I have no objection to the measure, but I can see that its provisions might be exercised very oppressively.

In this connection, I have more than once had a complaint as to the passing of vessels to Government use. I do not know whether they actually pass to the Government or to a board. The complaint comes from the employees. I am informed that it is not the British Government which is concerned, but just what the set-up is I do not know. The complaint is that vessels passed over to the Government or to this governmental board are almost invariably old hulks which have been laid aside, and that the Government is undertaking to put them in shape, at a cost of many thousands of dollars, and give them back in improved condition. I am not assuming responsibility for this statement at all; I am not even saying the Government itself is actually doing the purchasing, or is responsible for the board; but it is said these old hulks are being passed off for war purposes at fantastic prices, and that better vessels command no more than the old hulks.

Hon. N. M. PATERSON: Honourable senators, as I am in the shipping business and have had some of my vessels requisitioned by the Government, I may be able to give some information with respect to this matter.

Right Hon. Mr. MEIGHEN: Requisitioned by the Government?

Hon. Mr. PATERSON: By the Canadian Government, acting for the Ministry of Shipping of the United Kingdom, as represented by Sir Edward Beatty.

Right Hon. Mr. MEIGHEN: As I understand it, the complaint refers, not to that case at all, but to ships going to others.

Right Hon. Mr. MEIGHEN.

Hon. Mr. PATERSON: May I explain this in any case?

The British Ministry of Shipping asked for some Canadian ships. The only ships we could give them were of the inland water type, suitable for canal work—two hundred and forty-two feet long, and having a depth of fourteen feet. They carry about three thousand tons.

Right Hon. Mr. MEIGHEN: That refers to the Welland Canal.

Hon. Mr. PATERSON: The Welland Canal. The older type of ships has become obsolete. I think I can give it better in terms of bushels. The older type of vessel was built heavy, with the engine aft, and carried about sixty-six thousand bushels through the canal. As these vessels did not pay very well, we devised a type—what is called the Calderwood design—which carries up to ninety-seven thousand bushels on fourteen feet draught. It is built differently, and comes from England loaded with coal or clay, goes through the canal, and does not go out again on the ocean. Great Britain required coast-wise shipping. She wanted to replace ships running to France and release another type of ship for other duties.

Certain ship owners met the British Ministry of Shipping, and while they had already made a deal for eight obsolete ships, they agreed that our ships could be requisitioned. Some owners were willing to give a proportion of their ships; others were not. Under these circumstances the only thing to do was to force the owners, on a percentage basis, and the Canadian Government requisitioned those ships on a percentage basis and turned them over.

Right Hon. Mr. MEIGHEN: What is meant by a percentage basis?

Hon. Mr. PATERSON: I own twenty ships; they took three.

Right Hon. Mr. MEIGHEN: Oh, a percentage of ships.

Hon. Mr. PATERSON: A man who owned ten ships—

Right Hon. Mr. MEIGHEN: Would give one and a half.

Hon. Mr. PATERSON: They did not do it in that way. As there were mortgages on most of the ships, it was necessary to give some undertaking that the ships would be insured; so the British Ministry of Shipping entered into such an undertaking for a certain sum.

The question of the value of these ships before the war, or after, is a very difficult one.