

Revision of Dominion Government's Contract for Steel Plates for Shipbuilding.

Vancouver Harbor Commission.

It is announced from Vancouver that at the Marine Department's request the members of the Vancouver Harbor Commission: F. Carter Cotton, J. A. Fullerton, and S. McClay, have resigned. It is stated that there will be a complete reorganization of the harbor commission. The act by which the commission was created provides that the commissioners must be appointed by the Governor General in council upon the recommendation of the Minister of Marine, and that they hold office during pleasure. The remuneration is fixed at \$1,500 each with \$2,000 for the chairman, but this may be changed by order in council and it is reported that the salaries will be raised to be more in accordance with those paid at other ports.

The Dominion Parliament has passed an act providing that the Governor General in council may advance to the Vancouver Harbor Commissioners, from time to time, sums, not exceeding in the whole \$5,000,000, to enable them to carry on the construction of works and terminal facilities deemed necessary for the development and equipment of the harbor. Before any work is commenced, for which such advances may be required, plans, specifications and estimates must be submitted for approval, and applications for advances to cover the cost for such work are to be made monthly while the work is in progress, and as each advance is made, the commissioners are to deposit with the government, 25 year, 5% debentures, secured on the harbor revenues, and ranking next after all debentures and bonds, heretofore issued by the commissioners.

Shipbuilders' Wages in British Columbia.

A recent report made by the wage adjuster appointed to act in connection with the shipbuilding trades disputes in British Columbia, states that it is found that the cost of living in Victoria, Vancouver and New Westminster combined, for February, was \$21.357 a week, and for May, \$22.052 a week, an increase of \$0.695 or 70c a week. This works out, for a 44 hr. week at 1.6c an hour. As it is stated the foregoing figures do not include the necessities of life, a further investigation was made into the prices of clothing and other necessities, and it was considered that the increases would be met by an addition of 1.1c an hour to the wages, which in addition to the 1.6c already mentioned, makes a total of 2½c an hour increase to all employees, and it was recommended that such increase be made effective June 1.

What is known as the Robertson agreement, providing for quarterly wage adjustments in the province, became effective June 1, 1918 and provides for increases in wages quarterly, to keep pace with the increased cost of living, if any. The first quarter brought an increase in wages of 2c an hour, the second quarter an additional 2½c an hour, the third quarter an additional 2c an hour, and the fourth quarter an additional 2½c an hour.

British Government War Risk Insurance—Sir Auckland Geddes, Minister of National Service and Reconstruction, stated in the British House of Commons July 18, that the government had made a profit of £16,000,000 from premiums on war risk insurance of shipping.

Early in 1918 the Dominion Government gave the Dominion Iron and Steel Co., Sydney, N. S., a contract for 250,000 tons of steel plates, to be used in building steamships under the government's shipbuilding programme, the contract being explained by the Minister of Marine in the House of Commons, Apr. 4, 1918, as follows:

"The Dominion Government has guaranteed to the company that it will have a minimum tonnage of 50,000 tons of ship plates a year, extending over five years, making in all a total of 250,000 tons. The price per 100 lb. for the moment is \$4.15. The safeguarding of the public interest, so far as the price is concerned, from time to time, has been arranged on the following basis: Ship plates are made from steel ingots which, in turn, are made from pig iron, the pig iron being produced from iron ore. The Dominion Iron and Steel Co. owns and operates within British territory facilities to produce all the raw materials that I have just mentioned as being required for the rolling of ship's plates. We have taken, as a basis to adjust this price every six months, the price per ton of steel ingots. The price at the time the contract was entered into for steel ingots was \$25.50 a ton. The price of plates to start with is \$4.15 per 100 lb., based on an ingot price of \$25.50 a ton. These prices were agreed upon after long weeks of negotiation, and I was accused, in a friendly way perhaps, by President Workman, of the Dominion Iron & Steel Co., of driving too hard a bargain on behalf of the people of Canada. I do not think that is exactly so, because I consider the contract we have entered into is eminently fair to the company as it is also fair to Canada. The mill will take about 15 months to be erected, and Mr. Workman estimates that it will cost about \$5,000,000. The government does not put up one cent of money for the erection of this mill. The government was pressed to advance this money, but I declined to make such a recommendation to my colleagues, because I considered that the Dominion Iron & Steel Co. is strong enough to put up the \$5,000,000 required for the plant, and I, therefore, recommended to my colleagues that we do not advance the money. Accordingly, the company is going to erect this plant at its own cost.

"The company claims that within 12 to 15 months it will be turning out all the ship plates that Canada may require. The company estimates that the capacity of the mill will be 150,000 tons of plate a year. In addition to ship plate, it is estimated that there are about 50,000 tons of other plate, such as boiler plate, used in Canada yearly. There is no duty on boiler plate, nor on ship plate. This mill will be a new national industry for Canada, and not only will it turn out the ship plates which we shall require here, and which, I think, even the existing yards we have, will run something like 75,000 tons a year, but there is no reason why the Dominion Iron & Steel Co. should not be able to get orders for, if not the whole, at least a part of the 50,000 tons of plate used for other purposes than for ships.

"To follow along the policy of safeguarding the public interest so that we shall not be paying too much for the

ship plate, after the mill has run for six months, turning out the plate, the price of the plate will be determined on the fluctuating price for steel ingots, based on a price of \$25.50 a ton. We were also able to arrange with the company, also with a great deal of reluctance on its part, that no matter how high the price of steel ingots goes, in no event will the price of steel plate cost the government any higher price than \$4.25 per 100 lb. If the price of steel ingot drops over a period of six months, the price of plate will be lowered accordingly. We are not going to take the company's say-so as to what its cost may be. It is provided in the contract that the government shall send expert accountants, whom we shall name, to go over the company's books and costs, and if the price of steel ingots has fallen during the period of six months they will see to it that the government gets a proportionate reduction in the price of steel plates. Those are the essential points in the contract into which we are about to enter. The further particulars will be known when the order in council is laid upon the table.

"There is another clause in the contract into which we are about to enter, viz., that on all the plant and machinery that the Dominion Iron & Steel Co. will require to import into Canada for the ship plate mill it will pay duty, and that duty will afterwards be refunded. The government is making only two concessions: first, we are guaranteeing 250,000 tonnage for five years and secondly, we are remitting the duty on the machinery and material the company will require to bring in for its mill. In order that the ships which the government is ordering shall not cost too much money, I am happy to be able to say that through the splendid support of the British and Canadian War Missions at Washington, and through the generosity of the U. S. Government, we have been able to buy 80,000 tons of steel plate in the U. S. on very favorable terms, at a price as low as the U. S. shipbuilders are paying. This amount will keep our plants operating during the balance of 1918 and during the whole of 1919, so that our supply of steel plate is assured until such a time as Canada is able to roll her own plate."

After the armistice was signed the price of steel plates commenced to drop and the Minister negotiated with the Dominion Iron & Steel Co. for a modification of the contract. On July 11, 1919, he announced in Montreal, that he had arranged with the company to reduce the price from \$4.15 to \$3.65 per 100 lb. It apparently is not expected that all the plates ordered will be required by the government for shipbuilding, and it is said that efforts are being made to have some of them used for locomotive building, and other purposes, for the Canadian National Rys.

Union Navigation Co. Ltd., has been incorporated under the Dominion Companies Act, with \$50,000 authorized capital, and office at Montreal, to own and operate steam and other vessels, wharves, docks and other navigation facilities, and to carry on a general navigation, carrying and forwarding business.