

Supply—Transport

opposite having the responsibility of office they follow exactly the same policy as was laid down in former days.

Mr. Martin (Essex East): I hope the Minister of Finance will use his good offices to see that there is no delay in this matter, because this ship will serve to link the mainland of Essex county with Pelee island, the most southerly point of Canada and possibly, as the hon. member for Essex West may agree, the most favoured spot in the whole country.

Mr. Fleming (Eglinton): If this ship will take the hon. gentleman for a ride I will do my best to expedite its construction.

Newfoundland coastal services—

785. Construction or acquisition of passenger-cargo vessels and equipment—further amount required including authority for expenditures on harbour facilities, \$1.

Mr. Cardin: This item concerns the construction or acquisition of passenger cargo vessels and equipment. Has a contract been awarded for the construction of such a vessel or vessels, and will the ships when completed belong to the Department of Transport?

Mr. Fleming (Eglinton): As the hon. member is aware the Newfoundland coastal services are operated on behalf of the government by Canadian National Railways. This present item of \$1 is designed to authorize the expenditure from this vote of moneys for the purpose of the construction of a wharf and freight shed at Corner Brook and a wharf extension and freight shed at Lewisporte, both in Newfoundland.

Mr. Cardin: So there is no question of the construction of a ship?

Mr. Fleming (Eglinton): Not in this additional authority.

Mr. Cardin: Why, then, does the minister use such words in this item as "the construction or acquisition of passenger cargo vessels"? Why not simply say that this is for the construction of a wharf and sheds, if that is all the department is doing?

Mr. Fleming (Eglinton): This is the standard wording.

Mr. Cardin: It is confusing, though.

Mr. Martin (Essex East): The Minister of Finance is a little confused today.

Item agreed to.

786. Yarmouth, Nova Scotia-Bar Harbour, Maine, U.S.A., ferry service—deficit 1958—further amount required, \$38,346.

Mr. Chevrier: I see this is in respect of a deficit on the operation of the Yarmouth-Bar Harbour ferry. Would the minister care to

tell the committee how the profit and loss position of this ferry operation is working out? I remember that when it was announced in the house under the previous administration a statement was given, either by myself or by my successor, as to what the financial position was likely to be, having in mind the traffic which was expected at the time, and my recollection is that a small profit was expected or, perhaps, it was a small loss. I do not think that this is too much out of line, but I wonder if the minister could clear this up.

Mr. Fleming (Eglinton): The operation is showing an improvement financially. The net deficit in 1956 was \$304,000. In the year 1957—perhaps I could give round figures—it was \$278,000, and in 1958, \$203,000. There has been a steady improvement, but the result this year is not quite as good as had been expected when the first estimate was made.

Mr. Chevrier: What is the anticipated over-all deficit for this year 1959? This item, as I understand it, is, in part, for 1959.

Mr. Fleming (Eglinton): No, this is 1958.

Mr. Chevrier: Does it not run up to March 31, 1959?

Mr. Fleming (Eglinton): In this particular case the deficit is calculated by the calendar year. The operation of the service is carried out on a calendar year basis.

Item agreed to.

787. Payment to Canadian National (West Indies) Steamships, Limited (hereinafter called the company) upon applications approved by the minister of transport, made by the company to the minister of finance, in the amount of the deficit, certified by the auditors of the company, in the operations of the company in the calendar year 1958—further amount required, \$361,954.

Mr. Chevrier: This item concerns the vessels of the Canadian National Steamships and I think the minister should give us a report on the position of these vessels. There were eight such ships. They were rendered idle by a strike almost two years ago and then, as the minister knows, the flag was transferred with the approval of the government to one of the countries of the West Indian Federation. Then the ships were retransferred to Canada in order to facilitate their operation by crews from the federation. I understand that did not take place. Still later these ships were sold to a company operating under a flag other than that of Canada.

We are now being asked to vote \$361,954. I would like to know first of all what this amount is for because the ships have not been operated for two years. I would also