

DOMINION PLACES SHIPBUILDING CONTRACTS

Government Will Establish Ocean Service, Working in Conjunction with National Railway System, Similar to C.P.R. Service

Supplementary to previous announcements in connection with the government shipbuilding programme, Hon. C. C. Ballantyne, Minister of Marine and Fisheries, announced on November 1st that contracts have been placed with the several shipbuilding yards in Canada for the construction of 31 steel steamers, ranging in tonnage from 3,400 tons dead-weight capacity to 8,100 tons. In addition to the types of vessels for which contracts have been placed, plans and specifications for a larger type, of 10,500 tons, are in course of preparation, and it is expected that contracts for the construction of several vessels of this type will be placed in the near future at Halifax and possibly at Vancouver.

All the vessels to be constructed under the government shipbuilding programme will be built of steel. Some of them will be of the one-deck type and some of two-decks, suitable for bulk and general cargo. The sea speed of the ships will vary from 9 to 12 knots. All the vessels will be built to Lloyds or British Corporation highest class, under the requirements of the British Board of Trade and the Canadian Steamship Inspection Board.

First Two in Mid-November.

The first launching under the programme will take place from the yard of the Canadian Vickers, Limited, Montreal, towards the middle of November, when two vessels—one of 4,300 tons and another of 8,100 tons—will take the water. The launching ceremony will be performed by Sir Robert and Lady Borden, and it is expected that the vessels will be ready to proceed on their first voyage before navigation closes on the St. Lawrence. The keel of the first vessel, of 4,300 tons, was laid on March 12 last, while that of the 8,100 tons size was laid on July 13 last. They will be named respectively "Canadian Voyageur" and "Canadian Pioneer." The minister states that unless delays in the delivery of steel occur, seven or eight additional vessels will be ready for commission on the opening of navigation next spring, and that he fully expects to have the whole 31 ships, aggregating 175,000 tons, in commission before the end of next year.

The delay in laying keels and completing ships is due to the fact that all the ways were occupied with the construction of ships for the Imperial Munitions Board. As rapidly as the ships being constructed for the board are completed, the berths are immediately occupied with the construction of ships under the government programme.

Prices Compare Favorably.

While the price being paid for these vessels is substantially higher than the price paid in Great Britain, the minister pointed out that the vessels were being constructed at prices that compare favorably with those being paid for similar types in United States yards.

He states that plates and shapes, which are at present obtainable only in the United States, are being purchased for the same price as is being paid by the United States government, and although substantially lower than prices obtaining in the open market, they are materially higher than prices heretofore ruling in Great Britain. As the result of the difficulties experienced in securing supplies of plates, the minister stated that he had become more convinced of the soundness of the policy adopted by the government of providing for the manufacture of ship plates in Canada.

Supply of Plates.

"In January last and for some months previous to the government's decision to engage in shipbuilding," said Mr. Ballantyne, "private firms for whom ships were being built in Canadian yards were paying prices for plates ranging from \$100 to \$180 per ton, and several small lots had to be purchased for upwards of \$200 per ton. Through the courtesy of the United States government, the department was enabled to obtain an assurance that sufficient plates to meet the requirements up to July or August next would be available from United States sources, at the rate fixed by the United States government—namely, \$65 per ton. It was in these circumstances and in pursuance of a policy to make Canada self-contained in the matter of shipbuilding, that the arrangement was concluded with the Dominion Steel Corporation for

the erection in Sydney of a plate mill and the purchase therefrom of 250,000 tons of ship material at a basic price of \$83 per ton.

"The contract with the steel company provides that the price of plates will be reduced proportionate with any reduction that may hereafter occur in the cost of producing steel ingot. This cost will be determined at the end of every six months period by auditors selected by the government for that purpose. While the fixed price seems high, it is from 50 to 100 per cent.—and more in many cases—lower than the prices then obtaining in the open market. It was necessary to provide assured supplies of plates for Canadian shipyards and other Canadian industries."

Retain Vessels for Canada.

The minister observed that the world-wide demand for tonnage continued, and is likely to continue for a number of years. So much is this the case that if the government at the present time decided to dispose by sale of the contracts already concluded, very substantial profits would accrue. The policy of the government, however, remains what it was at the outset—to retain for the use and advantage of the people of Canada all vessels now under contract or to be hereafter contracted for.

Part of National Railway System.

Mr. Ballantyne, after expressing the view that the rates of freight prevailing would continue for some time after the war, said it was the intention of the government to operate its vessels in connection with the Canadian National Railway system from the Atlantic to the Pacific and the Great Lakes.

"There will," he said, "unquestionably be a very great demand for tonnage to carry the products of the field, the mine, the forest and the factory, as well as to bring back the Canadian soldiers who have so splendidly participated in bringing about the victory that now seems so near."

The minister further authorized the statement that on his recommendation the government had decided that the government vessels to be constructed under the government programme will be operated by a steamship company organized to work in co-operation with the Canadian National Railway system free in all respects from interference of any kind, and under the management of D. B. Hanna and his officials. In the adoption of this policy Mr. Ballantyne said: "The government is following the system adopted and now in operation by the Canadian Pacific Railway."

RAILROAD EARNINGS

The following are the earnings of Canada's transcontinental railways for the month of October:—

Canadian Pacific Railway.				
	1917.	1918.	Inc. or dec.	
Oct. 7	\$2,842,000	\$3,458,000	+ \$616,000	
Oct. 14	3,333,000	3,524,000	+ 191,000	
Oct. 21	3,420,000	3,509,000	+ 89,000	
Oct. 31	4,988,000	5,022,000	+ 34,000	
Grand Trunk Railway.				
Oct. 7	\$1,014,812	\$1,460,738	+ \$445,926	
Oct. 14	989,067	1,433,788	+ 444,721	
Oct. 21	916,866	1,206,165	+ 289,299	
Oct. 31	1,463,482	2,157,396	+ 693,914	
Canadian Northern Railway.				
Oct. 7	\$ 758,500	\$1,072,900	+ \$314,400	
Oct. 14	960,600	1,040,300	+ 79,700	
Oct. 21	872,300	1,180,000	+ 307,700	
Oct. 31	1,350,200	1,872,800	+ 522,600	

The following is a statement of the earnings and expenses of the Canadian Northern Railway for the month of September, 1918:—

	1918.	1917.	Inc. or dec.
Total gross earnings ..	\$ 4,050,900	\$ 3,341,700	+ \$ 709,200
Operating expenses ..	4,109,000	2,915,800	+ 1,193,200
Net earnings	(Loss) 58,100	425,900	— 484,000
Aggregate gross earnings from July 1st	11,723,600	10,591,800	+ 1,131,800
Aggregate net earnings from July 1st	718,200	1,924,000	— 1,205,800