

hire their own men? In other words, to all intents and purposes they are their ships, except that the government pays a fee for operating the ships. They get the personnel, and operate the whole show.

Mr. HOWE: That is correct.

Mr. BLACK (Cumberland): I should like to have further information regarding the smaller ships of 4,700 tons. They are of special interest to me, because they are the only ones which can be utilized in ports such as Pugwash, Yarmouth and many others. The 10,000-ton ships have a draught of about twenty-seven to twenty-eight feet, while the 4,700-ton ships take about twenty to twenty-one feet. How many of the 4,700-ton cargo ships have been built and how many have been sold? How many of those ships are being operated by Park Steamship Company Limited? As I understand it, they are operated under the authority of Park Steamship Company Limited by Canadian steamship companies. Those companies will have the first privilege of purchasing those ships at established prices. I presume there will be a restriction on them when sold to the effect that they cannot be resold, but that they must be continued for operation under Canadian charter by these Canadian companies.

Mr. HOWE: Yes. There are forty of the 4,700-tonners in existence. I believe there are actually forty-two built; two have been sunk. Those forty are made up of fourteen sent to the United Kingdom, and twenty-six in the Park fleet. The twenty-six in the Park fleet are being operated by Park Steamship Company Limited, and are operating under a Canadian flag.

Mr. ADAMSON: Does this item include any naval vessels, or does it refer purely to merchant vessels?

Mr. HOWE: Merchant vessels.

Mr. ADAMSON: Where does the termination of contracts for naval vessels come in? Does it come under the general item for termination of contracts?

Mr. HOWE: Yes.

Mr. ADAMSON: Have importers of Canadian goods at this early date specified their own bottoms for transport, at a time of what was thought to be a shipping shortage? Have they already begun to specify their own bottoms? I wonder if they will accept any bottoms at the moment.

Mr. HOWE: All shipping is in a pool to-day. At the present time ships are allocated by the pool. No one has a say, except

[Mr. Macdonnell.]

the operators of the pool, as to what ships are used. The pooling arrangement will come to an end, on March 1, after which each operator will be on his own.

Mr. ADAMSON: It seems to me that with such an amazing reduction in commissioned tonnage—in the United States I believe it has reached twenty-five million tons—in the very near future we shall be faced with a crucial decision as to what to do with these war-time ships which, simply because they were war-time ships, cannot possibly compete with the modern faster and more efficiently built ships.

Does the minister think there are Canadian yards competent to build ships to compete in ordinary peace-time commerce? As the minister knows, ships are getting more and more specialized, and a ship which might run from Canada to the West Indies would be an entirely different type of ship from one which would run across the Atlantic. Then, a ship which might run to South America would be different from one running to the West Indies. Each ship is specialized, and built for a special trade. It is going to be a matter of definite competition. I was just wondering what the minister's view would be as to our ability to produce ships suitable to meet the competition we are likely to run into from European shipbuilding companies, such as the English and the Dutch, and those other people who eventually will get back into the shipbuilding business.

It seems a pity to lose the skills that we already have in our shipbuilding plants. Despite the fact that probably we shall not be able to compete in the next four or five years with the European builders, when they get back on their feet, it seems to me that some consideration might be given to keeping our shipbuilding industry, probably not intact, but certainly on a working level. The minister said that he thought he would have no worries until next year so far as the shipbuilding industry was concerned. I can quite understand that, because no doubt ships will be required in Europe for at least eighteen months on account of the destruction that has occurred over there. Are steps being taken to maintain the Canadian shipbuilding industry? Will it have to carry on under government subsidy, or does the minister think it will be able to meet competition standing on its own feet? I know this matter is conjectural at the moment, but it is important to a number of our ports and a great number of the workers in this industry. I will not call it a new industry, because we had it during the last war, but it disappeared completely at the end of that war.