

HOUSE OF COMMONS

Tuesday, August 12, 1958

The house met at eleven o'clock.

CANADIAN NATIONAL STEAMSHIPS

ANNOUNCEMENT OF SALE OF VESSELS TO CUBA

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to inform the house that the management of Canadian National (West Indies) Steamships Limited has today announced that an offer to purchase its eight vessel fleet made by the Banco Cubano del Comercio Exterior, Cuba's foreign trade bank, has been accepted. The purchase price is \$2,800,000.

The ships will be operating under Cuban registry by Flota Maritima Browning De Cuba, a Havana shipping firm, which already has a contract with the bank to operate six other ships now being constructed for Caribbean service. The firm plans to place the eight C.N.S.S. vessels in service as soon as possible between Canada, Cuba and the West Indies, using the ports of Halifax and Montreal.

The sale agreement will be signed by Canadian National (West Indies) Steamships Limited and Banco Cubano del Comercio Exterior, a subsidiary of Cuba's state-owned national bank, Banco Nacional de Cuba. The approval of the shareholders of Canadian National (West Indies) Steamships Limited has been provided by the governor in council, acting in the capacity of majority shareholder of the company.

In addition to the foregoing announcement, I wish to inform the house that the offer accepted was by far the best of any of the purchase offers submitted. Seven purchase offers were submitted for the entire fleet, while some nine others involved a purchase of a part only of the fleet. The offer accepted was not only the highest offer but the only offer providing sound security for the balance of the purchase price.

May I also inform the house that all the officers of Canadian National (West Indies) Steamships Limited were offered transfer and employment in the marine services of the Department of Transport. A few decided to retire because they were eligible to accept retirement, and a few decided to accept other offers of employment. The others are now employed in my department's marine operations. The pension rights of all concerned have been protected.

Hon. Lionel Chevrier (Laurier): May I ask a question, Mr. Speaker. Can the minister give any indication—perhaps he did in his statement, which I was not able to follow—where these ships will be operated by the new purchaser?

Mr. Hees: They will operate between the West Indies, Cuba, the Caribbean area and Canada, using the ports of Halifax and Montreal.

Mr. Chevrier: What are the terms of purchase?

Mr. Hees: The terms are payment of 20 per cent now and the remainder in five equal yearly payments, which are guaranteed by the Bank of America.

Mr. Chevrier: Does this mean that the minister has presided over the liquidation of the Canadian merchant fleet?

Mr. Hees: No, Mr. Speaker. The minister has simply made an announcement of a transaction which has been successfully and well completed by Canadian National (West Indies) Steamships.

Mr. Martin (Essex East): In view of the fact that the Canadian government is giving consideration—

Mr. Speaker: Order. I wonder whether hon. members would defer their questions until the orders of the day.

[Later:]

On the orders of the day:

Mr. R. J. McCleave (Halifax): A question for the Minister of Transport, Mr. Speaker. Could the minister inform the house about the condition of the ships whose sale he has just announced and where they will, perhaps, be spruced up?

Mr. Hees: Mr. Speaker, the ships will require a certain amount of reconditioning before they are fit for service, and I have asked the management of Canadian National (West Indies) Steamships Limited to ask the new owners if they will give every consideration to having the reconditioning done in Canada.

Mr. Chevrier: Mr. Speaker, may I ask the Minister of Transport the following question. In view of the fact that the Canadian maritime commission has recommended that the size of