

Supply—Transport

have been asked and some of the matters raised during the course of this discussion, which has gone on since almost 3.30 this afternoon. I can hardly do so in the time that is left at my disposal, but I should like to attempt to deal with some of the matters which I consider of major importance. In any event it would be impossible for me, and I am sure the house and the members who have raised the questions, will not want me to refer to all of the local points that have been raised during the course of the discussion this afternoon.

First of all, I should like to say how grateful I am to the house for the very impartial, fair and constructive manner in which the estimates of the Department of Transport have been discussed this afternoon. I believe that out of the discussion there is bound to come some benefit for all concerned. The member for Vancouver-Quadra dealt with a number of matters. He will not expect me to respond to all of them, but there are some which I think are of sufficient importance to deal with at this time.

The member was somewhat critical of the attitude of the government and the conduct of the maritime commission with reference to shipbuilding, ship repair and policy generally. I would remind the hon. member and the house that the government established the maritime commission some years ago for the purpose of advising the government on matters concerning the maritime industry. That was the reason for the establishment of the commission, and that is exactly what the commission has done. For instance, the commission recommended the establishment of the replacement plan. The hon. member was critical of that, but I am sure he would not have been had he known what the position is so far as that plan is concerned. It has been a good plan.

By virtue of the recommendations of the commission to the government, which the government has adopted, there have been no less than 62 ships sold since the beginning of the plan, and the proceeds from the sale deposited in escrow. The proceeds to the escrow fund amounted to \$36.2 million. Of the \$36.2 million, \$25.5 million have already been assigned for shipbuilding and reconversion in Canadian yards, while a large portion has been used as an aid to encourage the replacement of outworn coastal and lake shipping vessels. Contracts have recently been awarded for two 28,000 ton oil tankers which will be the largest ocean-going ships built in Canada. It is hoped that this recent order may be the forerunner of similar orders for ocean-going dry cargo ships. At the present time consideration is being given by other owners to building in Canada for ocean-going trades.

There are also forty-five 10,000 ton ships and twelve 7,500 ton ships remaining under Canadian flag. This brings me to the other recommendation which was made by the Canadian maritime commission, namely that having to do with the transfer policy. The transfer policy came at a time when ocean freights were low and hard to get. Some 97 Canadian-owned ships were assigned to United Kingdom registry under a special transfer arrangement made with the United Kingdom. This transfer policy is operating satisfactorily at this time.

Then, the commission recommended the subsidy plan. This plan was announced by the Prime Minister in December, 1949, by virtue of which the sum of \$3 million was to be paid on ships that were in difficulties because of the decline in freights and the movement of cargoes. Under this plan some 37 Canadian-registered ships made contracts with the commission and each was paid \$75,000. The full amount of \$3 million was not expended. The subsidy plan was of tremendous assistance until the time came when, as the hon. member mentioned in his remarks, because of Korea and for other reasons, freight rates again rose and made the position more tenable for the operators. In any event, the subsidy was very helpful in tiding these ships over a difficult period.

Then, as the hon. member knows, the commission has responsibility in connection with the construction of new ships and ship repairs. In Canada the shipbuilding industry has reached today a post-war peak. Employment is increasing month by month, and orders on hand for new construction to date have a value of over \$234 million. While it is true that the greater portion of this sum is for naval shipbuilding, about \$64 million have been placed for merchant shipbuilding. The average employment in these yards at the end of March, 1951, was 12,015, an increase of 44 per cent over the previous year. The average employment for March, 1952 is 17,515, which is a tremendous increase over the average monthly employment figure up until the end of March, 1952.

In the ship repairing branch of the industry, 2,141 merchant ships and 63 naval vessels were overhauled or reconditioned, at a total expenditure of \$24,335,180, which is an increase of 41.5 per cent over last year. This gives some indication of the work done by the maritime commission. The hon. member and the house will recall that earlier the maritime commission recommended in one of its reports that there should be a nucleus of 7,000 men continually employed in our yards. Well, the figure I gave indicates that for