

The Halifax Drydock's Expropriation Criticised by the Halifax Graving Dock Company's Chairman.

S. M. Brookfield, Chairman, Halifax Graving Dock Co., Ltd., Halifax, N.S., wrote Canadian Railway and Marine World, Nov. 6, as follows:—"Your August issue, which I have only just seen, contains an article upon the expropriation of the Halifax drydock and the establishment of a shipbuilding plant, which is not only misleading, but contains statements which are at variance with the truth. If this confiscation can be legalized, it will be a disgrace and a blot upon the escutcheon of Canada forever.

"The Minister of Public Works is reported as saying he had informed the Privy Council on May 24, 1918, that the drydock was badly damaged and practically destroyed. He mentions the importance of the dock, and says an agreement was entered into whereby the dock company was to furnish \$111,000 of insurance and the Dominion Government was to reconstruct the dock. He also says, at this late date, that the progress made by the drydock company had not been satisfactory and from reliable information he valued the dock at \$1,100,000, and recommended that this offer be made to the company. Then on June 4 he reported to the Privy Council that, according to the order in council of May 27, the drydock had been expropriated, and recommended that it be leased to the Halifax Shipyards, Ltd., for one year for \$62,500, that company to have an option on the property for one year at \$1,250,000. The article further states that after the dock was wrecked by the explosion on Dec. 6, 1917, the Public Works Department, under its superintendence, took over the work of reconstructing it, but as soon as arrangements were made to expropriate the property it discontinued the work.

"You will note the Minister says we did not make sufficient progress, and the article states that the work was done by the Public Works Department. The explosion was a terrible calamity for us, chiefly on account of the loss of life, which was irreparable, and was quite sufficient to knock us all down for a time; in fact, some of the men have not yet recovered. However, we could not forget that the war was on, and that transports, the hire of each amounting to several thousand dollars a day, were waiting for repairs, and to have guns mounted upon them. We did not ask any government assistance, but lost no time in getting our Dartmouth shop in commission for work, and started the dock two days after the explosion, working continuously night and day and Sundays, putting up temporary buildings, installing boilers and pumps, building flues, chimneys, etc., so that we were able to begin repairs to the ship in the dock on Jan. 11. Considering our difficulties and the weather we had to contend with, it was something to do.

"You will notice that the Minister reported to the Privy Council on May 24—169 days after the explosion—that we did not make sufficient progress. Surely if he had the slightest fault to find with us, it was up to him to state it long before that date. I now call upon him to publish wherein we failed to make progress, because it is not true, and until refuted or proved it is a reflection upon our management. We can easily prove that every energy was made to get the dock and plant ready; in fact, before the explosion we had ordered extra machinery to ex-

pedite transport work, never thinking for a moment that it would be for the benefit of other people who had never put one dollar into the company and who had done nothing for the benefit of our port. We had great difficulty in getting this machinery, but succeeded.

"On Dec. 29 the Minister agreed to reinstate the dock, which would add \$400,000 to \$500,000 to its value to the company. It was a national loss, so why should not the Government reinstate it, especially as the Government was reinstating our citizens who had suffered by the explosion. We were to give the Government the benefit of our insurance. On Feb. 8, the Deputy Minister and two men from the department came and told us how they wanted the accounts kept. Bills were to be rendered monthly, but up to date, 11 months, the Minister has declined to authorize payment of one cent expended on account of the contract he made with us to reinstate the dock, which has cost us approximately \$185,000, so his agreement is simply a 'scrap of paper.' We then asked for a payment of account of the purchase price of the dock, but this also was declined, on account of the title not having been reported upon. We have had the property for over 33 years, and the title was not sufficiently good for the government to pay an installment upon, but was quite good enough to hand over to another company to continue our business.

"In order to improve the dock and its plant we employed the best engineers we knew, consulted them as to electrifying our plant and followed their recommendations. In connection with this account, which we call 'improvement,' we have spent over \$35,000 in equipment, which the new company has installed. On Sept. 25, we wrote the Halifax Shipyards, Ltd., asking it to pay this account, but so far we have received nothing but an acknowledgment of our letter. So you see that the drydock property which has been taken away from us is being operated with our machinery.

"Our dock was the pioneer dock in Canada, and look what a benefit it has been to the nation, especially since the war. We went through hard times, but some time ago we turned the corner and it was paying well. It certainly was not the time for the Government to deprive us of it. The Minister states the rental is to be \$62,500 (about half of what it should have been), which is 5% upon \$1,250,000, and ½% less than the government is paying for money today. Upon this valuation the dock would easily pay 30%. On May 18 in Ottawa the Minister offered us \$1,250,000, and the same offer was made on June 12 when he was in Halifax, but we refused it. He now offers us \$1,100,000, which, less our expenditure of \$220,000, would only net us \$880,000, which is simply absurd, as it is not more than sufficient to buy the real estate, build the shops and furnish the plant today, leaving the dock itself entirely out of the question.

"No Canadian came forward to put one dollar into this undertaking, but when they find out it is a paying venture, having an up to date shipbuilding plant and a profitable business, they do not hesitate to ask the Government to expropriate it under the guise of a shipbuilding scheme, which saves them asking for provincial

and city subsidies which they might not have been able to obtain. The last offer our shipbuilding committee had was in July, 1917, from an English company, which wanted \$400,000 from the province of Nova Scotia, \$200,000 from Halifax, and \$200,000 from Dartmouth. St. John, N.B., is asking \$500,000, so anyone can see the value of the Halifax drydock to the new company, and yet the Minister of Marine is reported as saying that the Halifax Shipyards, Ltd., is getting no financial assistance from the government.

"There is no precedent for such a high handed act, that is, for a minister of the crown to commandeer a property and business, and lease it to another company for one year, with the option of purchasing it at his fixed price any time within that period. It may be German practice, but certainly not the English method of doing things. Compare what we did with what the government accomplished, as regards erecting buildings after the explosion and getting the dock ready. We took the west side of the dock, where practically the work is, and proceeded to erect temporary pumps, boilers, roof over pump house and boiler house, iron stack for chimney, large ironworkers' shop, offices and stores, as well as repairing flues and putting the plant in order, all of which was done in two months. The government undertook the do the east side. One month was lost waiting for the Railways Department and the Public Works Department to decide which was to do this work, which delay was a serious matter to us. On Feb. 11 the government undertook the building of the wharf and the erection of the large emergency shop. It made such slow headway that I repeatedly wired Ottawa to see if it would expedite the work. Finally, when its representative would not carry out the plans, I was obliged to call in an architect and two surveyors, who met the resident government engineer, with the result that all the work done by the department was condemned. I wired Ottawa and it sent the Assistant Deputy Minister and government engineer down, and they also condemned the work, and on May 23, three and a half months afterwards, the wharf was not ready to take a vessel, whereas, if the government had not interfered with us, we would have had it ready for transports on April 10. Consequently we were obliged to repair transports in the harbor and basin, using motor boats, which was a delay to the transports and a great loss to us, so you will see that although the government stated this was important work it gave it no attention and utterly failed to be of any assistance to us whatever; so it must invent some other excuse for taking away our property. The wharf has since settled and the only building put up by the government has been taken down, and yet the minister complains of our lack of progress.

"A further reason advanced by the Government for taking the dock away is that it is a war measure. This excuse will not stand either, as the Halifax Shipyards, Ltd., is doing no more work than we did, although we have provided it with machinery, which we had ordered before the explosion, in order to expedite transport work. This shows that there was no delay on our part to meet emergencies. We had a large stock of plates, angles, etc.,