

warm, deep and abiding gratitude—of democratically-minded, freedom-seeking allies who are to be found in their millions everywhere?

I should like in conclusion, honourable senators, to read just two sentences from a book written by Louis Fischer entitled *Russia Revisited*, which describes in a forceful and direct manner the conditions as they exist in Russia at the present time:

Freedom must win. It is only a matter of time, and the value of time depends on what we do with it—and with ourselves.

Hon. Senators: Hear, hear.

On motion of Hon. Mr. Beaubien, for Hon. Mr. Robertson, the debate was adjourned.

CANADIAN VESSEL CONSTRUCTION ASSISTANCE BILL SECOND READING

The senate resumed from Tuesday, October 31, the adjourned debate on the motion of Hon. Mr. Haig for the second reading of Bill I, to amend the Canadian Vessel Construction Act.

Hon. John J. Connolly: Honourable senators, the Canadian Vessel Construction Assistance Act is the type of legislation to which I would think members of this chamber might well give special consideration. The honourable Leader of the Government (Hon. Mr. Haig) is to be commended for arranging that this measure be introduced in the Senate, where it can get the careful and detached type of consideration that this chamber can give to bills of this character.

I may say by way of apology that my own interest in the measure stems originally from the fact that during the Second World War I had an association with the Honourable Angus Macdonald, when he was Minister of National Defence for Naval Services. The main concern of the Navy in those days was the convoy system in the North Atlantic, a system which was the lifeline for supplies and food to the beleaguered sections of Europe. I believe that the achievement of the Canadian Navy in that period was one of which even a great maritime power would have been proud.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Connolly (Ottawa West): There was a close association during all that time between the Navy with its fighting ships and the Merchant Service with its freighters and tankers. There was an association too, and a mutual interest, in the work that was done on behalf of both the Naval and Merchant services in the construction yards where repairs and improvements were carried out, and as well in the very difficult

problems connected with the building of both Naval service ships and Merchant Navy ships. The wartime construction and repair of ocean-going craft was a big industry in Canada. The way it was handled and the achievements it made were, I think, a tribute to Canadian enterprise and management and to the great skills developed by Canadian workers in the yards.

Honourable senators perhaps may have forgotten that in that period some 400 naval vessels were built in Canada, and, as well, some 400 merchant vessels, 10,000 tonners—ocean-going craft. The industry employed some 75,000 people; today there are still 15,000 working in and about Canadian shipyards. The operation of these wartime merchant craft was the responsibility of a special Crown company called Park Steamship Limited. At the war's end about one-half of these 400 ships were sold abroad by War Assets Disposal Corporation or its successor. Some of these went to mutual aid, but many of them were sold to be used on foreign register by foreign purchasers. About half of them, or 200, were sold to Canadian operators in Canada. I think I should mention that the prices the Canadians paid for these ships were the market prices which prevailed at that time. In some cases there were favourable credit terms: roughly 25 per cent down and 3.5 per cent interest per annum on the balance, which was to be paid in seven years. It was Government policy to employ this method of trying to preserve a nucleus of a Canadian merchant service.

At the present time some 26 ocean-going craft are under the Canadian flag and on Canadian registry. There are some 70 craft on United Kingdom registry, but owned by Canadians. I understand that of the 96 ships which remain under Canadian ownership, some 70 are still original wartime ships built in Canada.

Honourable senators also are aware that in the wartime operation of the merchant service, economics were a rather secondary consideration, because the important problem at that time was survival. The problem was to get the supplies to the places where they were needed. But in the peacetime operation of a merchant service, economics are a primary consideration, and of course the operation and even the building and the maintenance of these ships must meet the competition encountered in the world markets.

I think it is also understood that costs in Canada for construction or conversion of ships, or for their repair and operation, are greater than they are abroad. Shipyard costs in Europe and Asia are much lower