Mr. HOWE: We are establishing in the hon. member's province the type of work the province is best able to do. We put in a great deal of machine tool work. Every machine shop in British Columbia is at present engaged in the making of lathes, shapers and machine tools. That is a type of work that does not involve the transportation of heavy steel back and forth. We are building a large plant for naval guns.

Mr. MacNICOL: Shipping barrels from Ontario.

Mr. HOWE: Yes. We are also obtaining in British Columbia three-quarters of the lumber requirements of the war. I have made an analysis before, and I think it holds true, showing that of all the provinces, British Columbia, on a per capita basis, is contributing more to the war effort than any province except Prince Edward Island.

Mr. GREEN: Yes, and a good deal of what we are shipping we were shipping before -for example, lumber. I do not want to get into any provincial fight over this question because the crisis is too serious for that. The fact is that the government is overlooking an opportunity to have war materials made on the coast. I believe this is largely due to the high freight rates. The only reason for the freight rate situation in British Columbia is that as a result of the war, vessels have been taken off the east to west coast run and the railroads have been allowed to jump up the freight rates. I suggest to the government that they arrange to place boats on this service in order to overcome this difficulty. There is no reason why we should not have plants there. Is this situation to affect our shipbuilding industry?

Mr. HOWE: There is a shipbuilding industry there.

Mr. GREEN: Are we to be prevented from taking a larger part in this work because of the rate charged by the railroads for carrying steel across Canada?

Mr. HOWE: We are referring to war production in British Columbia. I would remind my hon, friend that more ships are being built there at the present time than in any other province.

Mr. GREEN: It is the only province with completely ice-free harbours.

Mr. HOWE: My hon, friend wants to take advantage of geography in one instance and disregard it in the other. Ships are being built in British Columbia because of its geographical location, and shells are not being manufactured there because of geography.

[Mr. Green.]

Freight rates have nothing to do with the situation; it is just geography. There is a considerable aircraft industry in that province.

Mr. GREEN: We do not pay money to geography, but we do pay it to the railways for freight rates.

Mr. HOWE: I think that province has the largest aircraft contract which has been given to any single plant.

Mr. CRUICKSHANK: It is only on paper. Where are aircraft being manufactured to-day in British Columbia?

Mr. HOWE: At two places.

Mr. CRUICKSHANK: How many machines?

Mr. HOWE: Quite a few. I cannot give the correct number offhand.

Mr. CRUICKSHANK: Not very many.

Mr. HOWE: A plant in British Columbia is manufacturing the largest type of machine being made in Canada.

Mr. CRUICKSHANK: On February 15 a contract was let with the Boeing aircraft company for \$480,000 for the construction of a plant. Is it not correct that that company has manufactured only one small plane?

Mr. HOWE: No, it is not correct. I do not remember the size of the order, but I know we have got a good many more. This discussion is getting into a rather narrow field. The fact is that British Columbia is manufacturing ships because of its geographical location. The shipyards there are filled to capacity until the end of 1942.

Mr. GREEN: That is contrary to the story given me by the shipbuilders in British Columbia.

Mr. HOWE: Let me tell my hon. friend-

Mr. GREEN: They may be wrong.

Some hon. MEMBERS: Order.

Mr. GREEN: They may be wrong, but I am told there is no reason why we could not be building at least fifty merchant vessels on that coast. At the present moment I believe there are contracts for eight. I have the greatest respect for the minister; I believe he is working very hard at his job, but this thing should be looked into and if necessary there should be a change in policy. Another change which could be made, and which I think would help the whole of Canada, would be to have more manufacturing done in smaller plants throughout the country.

Mr. HOWE: Is the problem to distribute the work or is it to get production?