

Mr. HAMILTON (*York West*): This program will complete the refrigeration in all ships?

Hon. Mr. MARLER: Mr. Chairman, just before we leave this: When I made the statement the other day in the House of Commons about the continuation of the service Mr. Bell asked if I did not remember that at the last session it was pointed out that the condition of these vessels was very serious, and if future plans were being made it would be essential that the boats be serviced immediately. For the record, I would like to know what is the condition of the vessels.

Mr. BELL: May I say before that is answered, I did say that and I did not realize it was important enough to rise on a question of privilege. What I meant there was that the competitive position was serious; and I meant that with respect to refrigeration as far as competition was concerned; and in the excitement of the moment I did not make myself clear. But I would be interested in hearing an answer to that.

Mr. GORDON: Well, all our ships are maintained in first class condition. There is no question about the seaworthiness and the adequacy of the ships in handling traffic or any thing of that sort.

Mr. BELL: What about the age generally?

Mr. GORDON: They range from 1945 to 1947. The oldest ones are 1945 and the newer ones, the Canadian Challenger and Canadian Constructor 1947; so they are not old ships.

Mr. BELL: How do these compare in speed with the Saguenay terminals and Alcoa?

Mr. SAUVÉ: The motor vessels compare very favourably with the Alcoa and the Saguenay ships. They are about 10 or 11 knots. They compare favourably.

Mr. GORDON: There are only three motorships in service.

Mr. KNIGHT: Just one question. What are the implications in the liquidation of the vessel replacement fund?

Mr. GORDON: Well, the vessel replacement fund came out of the insurance collected from the sinking of the "Lady" ships. There were originally five "Lady" ships. Three were sunk during the war and the insurance collected on those three ships was put into a vessel replacement fund in addition to the depreciation fund from year to year and that was used for the paying off of the bonds which had been issued for the purpose of financing those ships when they went into service.

Mr. POWER (*Quebec South*): Was the Lady Grey one of those ships?

Hon. Mr. MARLER: No, that is an icebreaker.

Mr. KNIGHT: There is not anything now in vessel replacement?

Mr. GORDON: The vessel replacement fund is no longer in existence under that name, but we do set up depreciation each year in the normal way.

Mr. KNIGHT: I know; but that depreciation is not necessarily deducted for that particular purpose.

Mr. GORDON: That is right.

The CHAIRMAN: Shall the report carry?

Carried.

Moved by Mr. McCulloch seconded by Mr. Legare that the annual report of Canadian National West Indies Steamships Limited carry.

Now then, I would direct your attention to the budget of Canadian National West Indies Steamships Limited shown on page 9 of the document which we referred to before.