

Europe, not for the purpose of helping them, but for the purpose of helping the Canadian manufacturers and the working people of this country. What are we going to do in connection with the shipbuilding industry? We are going to do much more. We have good security. There is no possibility—I say this advisedly as a man who knows something about shipping—of the country losing on the proposition that is now being put before this House. When the building of a ship is to be contracted for, the contractor must in the first place be acceptable to the Minister of Marine and Fisheries and the Minister of Finance. He must come before them as a business man, representing a business concern that has some standing. He must deposit 10 per cent of the cost of the ship before the contract is made; and after he signs the contract he must deposit 10 per cent more; and he must continue making deposits until he has deposited 50 per cent of the price of the vessel. What is the next thing? A mortgage is taken in order that the shipbuilding concern may proceed to make contracts for the carrying on of their business and the financing of it. They cannot expect to get more for that ship until she is about ready to launch. Then the purchaser may be able to arrange to obtain the money somewhere else and to bring that money in and complete the payment. If he does not bring in the money, the Government hold the mortgage on the ship and she is not transferred from the Canadian register to any other register until every dollar of the mortgage is paid. The vessel is insured for such amount and in such companies as the Minister of Finance may determine, and the insurance policy is held by the builder of the ship or by the Government. Therefore there is not the slightest possible chance of loss. As I have already said, 50 per cent of the total price is paid by the man who makes the contract; and the contract for the construction of a ship is not a contract involving \$100,000, \$200,000 or \$300,000. For instance, a 3,000-ton ship could not to-day be constructed for less than \$125,000 to \$150,000—and I am making a very low estimate. There are ships that would cost something like \$500,000 or \$600,000 to-day. So the contractor makes a deposit of 50 per cent of the ship, and we take the mortgage on it. We have also the insurance. Moreover, the ship is registered in Canada and cannot be removed from the Canadian register until she is paid for. There is not a moment from the time the construction is begun until the

Hon. Mr. CROSBY.

ship goes to sea that we have to take the slightest risk.

My honourable friend from Assiniboia (Hon. Mr. Turriff) talks about notes and says they are very dangerous things. So they are. But how do the banks make all their money if not by notes? How does any business man make money but by lending it or investing it in business? True, my honourable friend may have endorsed notes for some persons who did not pay, but on the other hand he may have endorsed notes on which he has made a good deal of money. In this case the Government do not put up a single dollar of cash; the Minister of Finance simply endorses the notes when the contractor is seen to have everything in perfect order. In the first place, the purchaser must be reliable; secondly, the people who are going to construct the ship must be reliable; and then the Minister of Finance and the Minister of Marine and Fisheries jointly must decide that they are reliable before any credit at all is given. I do not care what Government may come into power—and I do not think there is any possibility of any other Government coming into power than the one that is in now, because they say there are not going to be any more elections. Therefore we can be perfectly sure, if we have the same men that we have now, that very good progress will be made.

It was said before that this was done for the purpose of giving employment and carrying on the shipyards. I do not say it is so; but supposing that to be the case, would my honourable friend say it was not well to keep 25,000 men at work in Canada here? But we could not have that condition without this legislation. Would the honourable gentleman say that it was a wise policy for this or any other Government to allow an industry to go down, and those thousands of workmen to go without employment, rather than have the Government endorse the notes of reputable people, taking a fifty per cent chance on a thing that they hold in their hands—for they hold the mortgage, the ownership, the control of the entire industry, and the whole consideration. Would my honourable friend say he would not agree to that?

Hon. Mr. TURRIF: I would say it is good policy, if a man comes to borrow money, if you have the money and you want to lend it to him, to let him have it; but if you have not the money, don't sign a note.