

The Case for Government Encouragement

The alternative is to resolve that Canadian products shall be carried by Canadian ships as well as by Canadian railways. A beginning must be made to build up our coasting trade and the lake and St. Lawrence shipping; and in time an effort must be made to carry Canadian products overseas in Canadian ships. It is not the object of this memorial to discuss the ship-owners' case directly; but it may be observed that *it is of vital necessity for the shipowners to have suitable dry-docks in Canada; to have in proximity to the dry-docks ample repair plants; to have available in each plant several hundred workmen.* Quebec, Montreal, St. John and Halifax, for example, cannot throw off the prohibitive discriminating insurance rates which are a subject of national concern and protest, until our Atlantic coastline has *this three-fold equipment of big dry-docks, big repair plants, and thousands of workmen.* But on what does such an equipment depend? It has been shown earlier that *an efficient repair plant depends upon new construction. New construction depends absolutely upon government encouragement.*

Steps to be Taken

The form which government encouragement should take is a matter for government to decide. A readjustment of the duty on repairs may properly be asked for. As for new construction, the present bounty is entirely ineffective and indeed absurd. It is of very old standing, deriving its origin from the days of wooden shipbuilding. With wooden construction gross tonnage and net tonnage were practically identical, and the rate of 65 cents to \$1.15 per net ton sufficed in that period of small and cheap ships. With steamships net and gross tonnage vary greatly, and in an exceedingly irregular manner. One Canadian yard has built a ship which measures 300 tons net and some 3,000 tons gross. In another case a ship which carries 3,200 tons of cargo on 17 feet of water measures 1,254 tons net; this vessel cost the yard, apart from profit, over \$150,000 to construct. The ordinary vessel built on the lakes obtains only 65 cents per net ton. The principle of a bounty thus is accepted, and is of long standing; but the method of computation and the amount alike are obsolete.