

been made, of what avail is it to speak of subsidizing vessels in order to reduce the costs? We are on the horns of a dilemma in this matter. If exorbitant profits have been made, what has prevented independent steamship lines, such as the Petersen line or the tramp steamers in different parts of the world, from taking part in this trade and enjoying part of those profits?

Mr. MANION: Or the Canadian Merchant Marine from making good money?

Mr. SPEAKMAN: Yes, if exorbitant profits have been made why has the merchant marine, engaged in that traffic within the conference itself, carrying goods at conference rates, shown a deficit? Is it due to bad management on the part of the officers of the merchant marine? Is it due to some inherent incapacity on the part of the vessels themselves? Or to what is it due? It seems to me that before considering the subsidizing of any other line we should look well into the question whether the merchant marine has been employed to its utmost capacity and in the best possible manner.

I am aware that while on one side of the House the merchant marine has been extolled as a very fine fleet of vessels, modern in their specifications and well adapted to the business of ordinary freight transport, on the other side of the House the position has been taken that those vessels are totally unfitted for the service. Between these two varying opinions, neither backed up by any official statement on the part of shipping experts, what are we to think? Are we to suppose that the reason that the merchant marine has not been developed to its whole capacity and has not been used as it should have been is due to a desire on the part of hon. gentlemen on the government side that no vessels built under the auspices of a Conservative government shall succeed? Is the praise bestowed upon this merchant marine by gentlemen to my right due to the fact that it was under the auspices of their government that these vessels were constructed? Or to what may these divergent opinions be due? I do not know. But I do know this: that if these vessels are at all adequate to the service they should have been used to demonstrate the actual costs of ocean transport.

Mr. MEIGHEN: I do not want to lie under the implication of seeking undue credit. I may inform my hon. friend that hon. gentlemen opposite supported just as enthusiastically as ourselves the building of these vessels, as well as the type of vessel built.

[Mr. Speakman.]

Mr. CAHILL: Not at all. It was put through by closure.

Mr. SPEAKMAN: I will leave that to be argued out between those on the government side and my hon. friends to my right. The fact remains that these vessels are in existence and that an honest and thorough trial should have been given them, in my opinion, to ascertain whether or not they were fitted for the service; to ascertain through their use, before a subsidy was proposed, what the actual cost of ocean transport was. And while I am speaking of the proposed subsidy, may I say this: The people in my part of the country have always been dubious about the granting of subsidies. We in this country have had some unhappy experiences in the granting of subsidies to private corporations or companies supposedly for the public welfare. We have found that while those subsidies were welcome and of benefit to the companies and corporations themselves, they seldom resulted in real benefit accruing to the country, and therefore, as a matter of principle, in the light of history I would be very dubious of this method.

The question then presents itself as to what effect these subsidized vessels would have upon our present situation. The proposal is that ten vessels of a modern type and of fair capacity shall be subsidized and used in this service, and that if this proves a success the system may be extended to include more vessels of perhaps a similar type. I want to point this out: In the first place, unless it is proved that exorbitant profits are made, what does this policy mean? It means that the government as a part of government policy will be going into the business of paying part of the necessary cost of transportation by subsidy derived from taxing the people. That may sound absurd, and yet it is logical. If the profits are not exorbitant, it simply means there will be no combine breaking; there can be no reduction of rates through this action, for to be effective the subsidy must be applied to all of the vessels engaged in our ocean transport, and in effect the subsidy must pay part of the necessary costs of that transport. Mr. Speaker, before we adopt such a policy I think we should consider well.

There is another point in that connection. The statement has been made, and I think it was a correct statement, that this proposal was suggested as much for the benefit of our manufacturing industries as of agriculture; that is a perfectly proper state of affairs. No one is asking for a policy which shall be of benefit to only one section of this country or to only one class in this country. But the question