

West Indies Trade Agreement

(Mr. Bennett) in connection with another matter fully as important. May I say that at least two efforts have recently been made to get a tender covering the service contemplated by our treaty obligations, and as the Minister of Trade and Commerce (Mr. Malcolm) indicated the other evening, they met with no success. Now I understand my friend to say that having failed to get tenders from private companies we should ourselves figure out an offer which we can make the private steamship corporations as an inducement to undertake these services. I imagine that if I came into this House with any such proposal I should be subjected to attack, and I think properly so, by the hon. member for West Calgary, the ex-Minister of Finance, on the basis of the same principle which he enunciated so well a few minutes ago. Having failed to get even an offer for the western service with all our advertising in the trade journals in London and elsewhere, where it might be thought that those interested would at least be sure to know about the tenders, I do not think we could very well adopt this proposed scheme. We are following the present plan because we are convinced that it is the only way in which we can establish the service called for by the treaty. I think I dealt with my friend's other question, and I do not know that there is anything else I have not covered.

Mr. MALCOLM: I would like to make one observation. The hon. member for Pictou (Mr. Cantley) refers to the fact that this will initiate public competition against private capital, and he thinks it is not fair. The hon. member for West Calgary (Mr. Bennett) has already pointed out that private companies can buy their ships in the cheapest market while as a public enterprise we are denying ourselves that right. The cheapest market is continental Europe, and if we deny ourselves the privilege of buying there on the understanding that it is in the public interest to build these boats in Canada even at a greater price, surely private companies have at least the advantage of having the markets of the world open to them with lower initial costs.

I would like to make just one further reference to what the Minister of Railways (Mr. Dunning) has said. At the request of people who were interested in this service and who were most anxious that something further should be done, the matter was delayed and a further call for tenders was made, but without any offer of a private company to undertake the service to the western group of islands. We did have a tentative proposition of about \$750,000 subsidy for both services from one

[Mr. Dunning.]

proposed company, but they were not able to finance their plans and withdrew their offer on the second tender. We had reason to believe the suggested tender would stand, but it was withdrawn owing to the inability of this group to make the financial arrangements necessary. I can assure the hon. member for Pictou that with the government it was not a selection as between a private company and a government service but rather a matter of necessity to meet the terms of the treaty. Considerable dissatisfaction has been expressed in the West Indies as to lack of service, not since the last conference but because of the failure of the government to implement its agreements made at the conference of 1920, which I believe is known to every member of the House.

Mr. BENNETT: The minister mentioned building ships in Canada. Do I understand that that is the settled policy of the government?

Mr. MALCOLM: It is the intention to send invitations to tender on all five of these ships to all Canadian shipyards and to all British shipyards, because as was pointed out the other night in debate by the senior member for Halifax (Mr. Black), it is quite possible to lay down two boats of the same kind in one yard more economically than to build the two boats in separate yards, and the government will have to take cognizance of all the conditions surrounding the tenders before a decision is finally reached.

Mr. HEAPS: I would ask the minister if it is the intention of the government to ask for tenders in Great Britain for all the ships that are to be built?

Mr. MALCOLM: Yes.

Mr. HEAPS: Supposing there is a great difference between the price in Great Britain and that in Canada; is it the intention of the government to award all the ships to the one place?

Mr. MALCOLM: Was my hon. friend here the other evening?

Mr. HEAPS: Yes. I understood then that it was the intention to have three of the ships built in Canada. That is why I hardly think it fair to ask for tenders on all the ships in Great Britain.

Mr. DUNNING: I indicated that ratio of three and two the other evening as the basis of the financial calculations which I had to give the House. It was necessary to take some basis and naturally we weighed whether it should be all-British construction or all-