

The entrance of the government as a factor in the building of ships has been largely instrumental in developing the shipyards. Indeed, had such action not been taken, the dominion probably would not have anything like the building or shipping record it has to its credit. Soon after the outbreak of hostilities in 1914, the Canadian yards began to experience the benefits resulting from an increased demand for tonnage, but even though the marine department exerted its utmost influence to secure orders for Canadian yards, still the results were disappointing. It was not until the imperial munitions board, acting as the agent of the British government and sustained by ample credits from the dominion government, began to place orders for ships that the industry got on its feet. The value of the orders placed by the board aggregated \$70,000,000. The industry received another strong impetus through the action of the Dominion Government in launching its shipbuilding program, which has resulted in the creation of a federally owned Canadian mercantile marine. To date, 60 cargo vessels, with a tonnage of approximately 360,000 deadweight, have been contracted for, involving another expenditure of approximately \$70,000,000.

The fact that several steel shipbuilding yards had come into existence before the war is good evidence that the men behind them believed that there was a future for the industry. The comprehensive scale on which the Halifax yards have been planned and are being laid out at this date by some of the prominent Canadian industrial leaders, is further proof of this. On the Atlantic coast the prospects for the industry look brightest, it being nearest the center of the world's shipping activities. The cost of production in that district is most likely to permit of competition with British yards. The future of the St. Lawrence yards as a factor in the shipbuilding industry would seem to be reasonably assured. In the matter of prices, the British Columbia yards have done as well as any in the Dominion, having bid as low as \$167.50 per ton on several vessels for the mercantile marine. Before the signing of the armistice, the average price paid on these contracts was \$199.63 per ton. Since that time the average price has been \$173.17.

Some hon. gentlemen have also criticised this policy as being opposed to their free trade views. May I refer the House to what has been done in free-trade England in connection with the development of the shipbuilding industry? I would quote from the Marine Journal of June 19, a New York paper, which has the following reference to British shipping:

Greatest of British shipping organizations, the Cunard Company is operating scores of passenger and cargo steamers between New York and the ports of the United Kingdom and the Continent—competing with unsubsidized American steamers. The Cunard Company has since 1840 enjoyed a liberal subsidy from the British Treasury. Some years ago the Government loaned the Cunard Company \$13,000,000 to build the Mauretania and Lusitania, and gave the company a new subsidy of \$1,100,000 a year for twenty years, by which the loan could be repaid; and the rate of interest charged was the nominal one of 2½ per cent.

[Mr. Vien.]

So that free-trade England has built up her marine and her shipbuilding industry by direct government assistance, and it seems to me that if we want to develop in Canada a big industry we cannot do better than imitate what has been done across the water. If we consider the proposition which is before the House, it will be seen that every precaution has been taken not only in regard to the financial standing of the purchasers—and I can assure the House that the financial status of the companies who want ships now is more than satisfactory—but also as regards the ability of the Canadian shipbuilder to execute his contract and also as regards his financial ability to discharge completely his responsibilities. Everything is safeguarded. The Government are not obliged to advance money but are simply empowered to do so; and if any criticism is to be offered it is that they did not see their way clear to go further, because I am afraid that this 25 per cent cash payment will not secure foreign orders. Be that as it may, I think that in the present instance we should only congratulate the Government for their forward and progressive policy, because they are assuring the life of the Canadian shipbuilding industry without spending a cent. They do not incur a cent of liability, because they have 200 per cent of guarantee for every cent that they will endorse but will not disburse. For these reasons I shall be in favour of the proposition, and I trust that my hon. friends on this side of the House will see it in the same light and also favour it:

Mr. F. H. KEEFER (Port Arthur and Kenora): Mr. Speaker, allow me to take the first opportunity to commend the hon. member for Lotbinière (Mr. Vien) for the information he has given to the House as to what has been done on the other side of the water. We on this side ought to know something of what is taking place here. Let me speak from experience in regard to this shipbuilding question from the Canadian point of view. We have been told that our seventeen yards in Canada employ 25,000 men, a large proportion of whom are returned soldiers, and that a large amount of capital is invested. What happened in the middle of last winter in one of those yards I desire to tell the House. In December, at Christmas time, I went home to spend the Christmas vacation and the moment I got there I was approached by employees of the shipyard, by the returned soldiers, the council and