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# Should Canada Begin to Build Ships?

**OUTLINE** of Scheme Proposed by Sir George Foster — The Need for a Canadian Mercantile Marine is Described by Col. T. L. Cantley at the Annual Gathering of the Canadian Manufacturers' Association

**A** STRONG plea for the establishment of the shipbuilding industry was made by Colonel T. L. Cantley at the convention of the Canadian Manufacturers' Association, held at Hamilton last week. He regretted that the passenger traffic of the Atlantic had been largely monopolized by the port of New York, "notwithstanding that Halifax is the safest port on the whole Atlantic seaboard"—ice free, the most commodious, the most certain and easy of approach, nearer to Southampton than is New York by about 680 miles, and 530 miles nearer to Liverpool—the distance an economic advantage of no small moment in these days of 40,000 and 50,000-ton, twenty to twenty-four knot express Atlantic liners; the shorter sea voyage meaning a saving of time to passengers, and all important matter as regards express, freight and perishable commodities.

Colonel Cantley gave a history of American shipping and of the subsidy systems of Great Britain and the United States and other countries. He pointed out that the growth of German shipbuilding was brought about by the application to shipbuilding of the general protective system of the country, and partly by liberal subsidies, with the result that within 25 years the net tonnage of the ships registered in the two ports of Bremen and Hamburg had increased from less than 230,000 tons to nearly 2,000,000 tons. In addition to subsidies, Germany grants preferential rates on her state railways on cargoes to be carried in German ships.

Colonel Cantley recalled that some time ago the New York Chamber of Commerce, a very influential body, put forward a scheme which it thought might well be adopted as the shipbuilding policy of the United States, and Sir George E. Foster, Canadian minister of trade and commerce, in discussing the question of ocean transportation in the House of Commons on April 26th, outlined this scheme, and commented on the way it might be applied to the Canadian problem.

Sir George Foster's translation is somewhat as follows: The Dominion of Canada would appoint a commission consisting of any three members of the cabinet whose departments are interested, say, commerce, navy and finance. The government side of that commission would be the ministers of these three departments. Add to these a naval instructor and three practical and experienced men in shipping matters, selected by the government, and you have the commission which would operate in Canada. That commission would have general oversight and direction of the classes of vessels to be built

under the scheme, how they should be named, everything in connection with them, and to the extent that it would be possible, the regulation of the rates as well. That committee would then be empowered to enter into contracts with shipbuilding companies to build according to the plans and regulations laid down in Canadian shipyards and the builders of ships would be allowed the difference between the cost of construction in Canada and in European ports, that difference having been carefully ascertained by the commission.

The object would be to enable Canadian shipowners to have their ships built in Canada with exactly the same cost to himself as if he had them built in a European port. If this tonnage could be built in a European port at a certain percentage per ton cheaper than in Canada, then the subsidy for construction would be that difference in cost, whatever it was, so as to put the Canadian shipowner on an equality, in the after competition, with his competitor who had ships built in European shipyards. The time during which this should be carried out would be limited to a period of, say, ten years, so that during that ten years this operation of building would go on.

Then the commission would be empowered to enter into contracts with the shipowners, when the ships were built, and to guarantee to the owners the difference in cost of operating the ships under the Canadian flag and under a European flag, that subsidy to continue for the life of the ship. The commission would ascertain the difference in cost of construction and operation and pay that difference alone. In that connection the government would place at the disposal of the commission the sum of \$15,000,000 or \$20,000,000 and empower the commission to guarantee the bonds upon the ships built up to 50 per cent. of the value of the ships. Such bonds would be 5 per cent. bonds, and the government commission would get one-half of one per cent. on these bonds returned to its treasury for its work and its supervision.

Such is the plan of assistance outlined by Sir George E. Foster. "While we think a simpler method would meet the case," continued Colonel Cantley, "we note with pleasure that the matter has had the attention of the hard-working minister of trade and commerce."

"Steel shipbuilding can be developed on a broad, comprehensive and permanent scale provided the government of Canada deal with this matter on broad, statesmanlike and business lines. Ten to fifteen years will be necessary to build up an organization of skilled workmen possessing the necessary experience to enable us to com-