

conducive to the health of the industry to expend money in such a way as to bring utter failure to existing shipyards. I suppose we have at present as many shipyards as we need, and if we can keep them going I think we may congratulate ourselves.

I am rising, not particularly to answer my honourable friend (Hon. Mr. Murphy), but to ask the leader of the Government if he can lay on the Table the correspondence which has brought this Act into being. The Minister of Marine and Fisheries has stated that foreign countries wanted to build ships in Canada, and that, while they were not ready to pay the cost of building them here, they would under this arrangement pay up to 50 per cent of the cost, the Government guaranteeing the other 50 per cent. There is no such statement as that to be found in the preamble of the Bill. Apparently this Bill is the result of negotiations with foreign countries or foreign firms for the building of ships in Canadian yards. I do not know whether the information I ask for has been furnished in the other Chamber; at all events, I have not seen it, and I would ask the leader of the Government if he can lay before us the correspondence leading up to the present legislation.

Hon. Mr. GORDON: Honourable gentlemen, this measure appeals to me as being a step in the right direction, and one of the best business propositions which so far has been put forward by the Government. It is designed to have ships built in Canada which otherwise would not be built here. I understand that certain corporations in Europe are willing and anxious to have millions of dollars worth of ships built in Canada provided they receive help in the financing.

Hon. Mr. DANDURAND: Has the honourable gentleman seen that correspondence?

Hon. Mr. GORDON: No, but I was informed of that.

Hon. Mr. FOWLER: He has more faith than you.

Hon. Mr. DOMVILLE: We live by faith.

Hon. Mr. GORDON: As I say, this Bill is designed so that ships may be built in Canada which otherwise would not be built here. I think any honourable gentleman will readily admit that if that end can be accomplished without the country having to put up any money it will be a good thing for the country at large. There is nothing which the country requires to-day more than money. The building of these ships is going

Hon. Mr. DANDURAND.

to be the means of giving the country hundreds of thousands of dollars not only through taxation on the material used in the construction of the ships, but also through the taxation which will be paid by the hands employed in constructing the vessels. One honourable gentleman said yesterday that he knew of vessels which had been built years ago, and which had been held for four or five years, and then, upon sale, had realized not more than 50 per cent of their value. Assuming that that might happen in this case, I do not believe that there would be any loss, because the taxes would make up the loss. I do not believe there is a chance of such a thing happening in any event, because the money will not be advanced to the ships' purchasers. In addition, the Government will have as security not only the mortgage, but also the company, and I am sure that they will be very reputable firms. If any reasonable care is taken in selecting the firms and in guaranteeing only for good, reputable business people, the loss which my honourable friend seems to fear so much will never take place. If, instead of guaranteeing 50 per cent to these companies, the Government were advancing the money, I would be the first one to stand up in this House and oppose such a policy.

One honourable gentleman asked yesterday why these people did not come to our banks for the money. He said that the banks of Canada had on deposit to-day over \$1,500,000,000. I presume that the honourable gentleman's statement as to the amount on deposit in the banks is correct; but I would point out to him that the funds of the banks in Canada are pretty well employed to-day, and I would ask him why we should prevent these people from bringing in what we so much desire, and thus enabling us to acquire new capital?

Hon. Mr. MITCHELL: Where will the Government get the money if not from the banks?

Hon. Mr. GORDON: The Government is not getting the money. The Government is endorsing the notes.

Hon. Mr. MITCHELL: They are backing the notes, but the notes have to be discounted at some bank.

Hon. Mr. GORDON: It is for the maker of the note to get it cashed.

Hon. Mr. MITCHELL: I understand that the banks do not look very favorably upon ships as security.