

chaser will have to pay will be 50 per cent of the cost of the ship. This extra 25 per cent will be lost to the purchaser through the difference of exchange.

I wish to draw the attention of the House for a moment to the great advantage that has accrued in the past to Canada by the creation of the Canadian shipbuilding industry. There are at present at least from 23,000 to 25,000 men working in Canadian shipyards. There is a shipyard very near the place where I live—the Davie Shipbuilding Company, at Lauzon. Though I have not a cent of interest, I am glad to say, in any shipyard in Canada, it seems to me that I would be unpatriotic if, knowing the conditions as I do, I failed to give the House the full information I have in my possession. The Davie Shipbuilding Company, which during the war built a number of ships for the British government and also on foreign account, has paid in wages alone over a period of over eighteen months between \$60,000 and \$70,000 a week; and this is not the biggest shipyard. The Halifax shipyard and the Vickers yard at Montreal have done much more. What will these workmen do if on account of the shortage of Canadian orders, or the impossibility of accepting orders on foreign account, the shipyards in Canada are forced to close down? These men will be thrown out of work, and moreover, the \$50,000,000 invested in Canadian shipyards will be practically lost, or at all events it will be idle for a number of years until the exchange is re-established.

I have read with careful attention the criticism which has been offered of the Government's proposal by hon. gentlemen on this side of the House who oppose it, and I have failed to find any serious objection to the legislation which has been introduced, but I have discovered, just as I discovered this evening in listening to the hon. member for North Cape Breton and Victoria (Mr. McKenzie), for whom I have the greatest respect, that there is some misapprehension on this question. For instance, did I not hear the hon. gentleman say that under this legislation the Government would throw away money without any guarantees at all? I think that the hon. gentleman misunderstood altogether the legislation which is now under consideration. There is nothing in the Bill to the effect that the Government is not going to take full guarantees so as to protect itself against any eventuality. First of all, the purchaser, the foreign company placing

orders with a Canadian shipyard, will have to put down 25 per cent of the amount. Secondly, the Government takes a mortgage to the amount of 50 per cent of the value of the ship. Thirdly, the Canadian shipbuilder will have to arrange otherwise for the other 25 per cent between the purchaser and himself. The hon. gentleman said: During the course of construction of the ship you have not a full guarantee for your money. That argument might apply if the Government were to pay to the shipbuilder 50 per cent of the amount in bulk before the keel was laid. But the Government surely—and this is one of the provisions of the Bill—are going to see to it that the money is well expended. The Bill provides that the Government will have their own inspectors, and will not pay the various progress estimates unless they are fully satisfied that the work is progressing to their satisfaction. The hon. gentleman also said that this proposal was for the development of a foreign country. I say that that is an unsound argument. Are we developing a foreign country or our own Canadian industries? With the assistance of the Government's endorsement of these notes, which will probably be negotiated on the American market, much money will be brought into Canada, and it will remain and be used in Canada for the development of our Canadian industries and for the benefit of Canada at large. We have now rolling mills in the constituency of my hon. friend from Cape Breton North and Victoria. These rolling mills will turn the steel plates which will be used in those ships. The Canadian steel industry will provide not only the steel plates but the farmework, the forgings and the castings, and our other industries will provide the paint, the furniture, the woodwork, and everything else that goes into the construction of the ship.

I do not think that any of that money will go out of the country. It will all remain here, and will enable the Canadian shipbuilding industry to get on its feet during this abnormal financial period, and it will enable the industry when normal conditions are restored to fight its way and compete with the rest of the world. This is not only my opinion. I would refer hon. gentlemen to an article which was published in an American review. I refer to the *Marine Review* of July, 1920. The July number of this journal is now out and it contains a complete review of shipbuilding enterprise in Canada. It says: