

ada. We have in this country everything to uphold such an industry in normal conditions. We have the iron, the coal; we have now the shipyards, the experience, the skilled labour; and there is no reason why we should not be able to establish the Canadian shipbuilding industry on a sound and stable footing for the general benefit of Canada in the future.

But what are the conditions that prevail now? The Canadian Government have come to the end of their shipbuilding programme. They are now operating some sixty-odd ships, and they think they cannot place any further orders with Canadian shipyards. The Canadian Government being now withdrawn as a purchaser of ships built in Canadian shipyards, we have to turn our eyes to some foreign country to place orders with Canadian shipyards. What is the situation with which we are met? We are met with this situation, that notwithstanding the great need of foreign countries for steel ships, on account of financial conditions in the markets of the world, and particularly on account of the state of the exchange, they cannot possibly pay in cash for ships that they would be willing to order to be built in our Canadian shipyards. The fact is not that they are insolvent; it is not that they have not the assets to guarantee fully the builders or the Canadian Government against any possible loss; but it is that on account of the present state of exchange they would suffer a very heavy loss if they were to pay in actual cash. As a matter of fact, France, for instance, could not at present pay in Canadian dollars except by giving for every dollar 12 francs instead of 5 francs. I know whereof I speak when I say that the proposition before the House is a good and sound one. I am just back from Europe; I was in Paris during the months of February, March and April, and there I met directors of various shipping companies who told me that they were willing to place orders for as much as 500,000 tons of steel shipping in Canadian shipyards, provided that we could arrange a credit for a certain period so as to permit the exchange to re-establish itself. I am free to say who these gentlemen are. They are directors of La Compagnie des messageries maritimes. They told me they had already in commission five ships that they were willing to mortgage in addition to the five ships that they were willing to order from Canadian shipyards. They told me that in addition to that, if the Canadian

[Mr. Vien.]

Government were not satisfied with the guarantee of one ton of shipping already in commission in addition to each ton of ship which was to be built, they were ready to place in trust as additional security bonds of the French treasury. They told me that they had immovables, real estate, in the city of Paris to an amount of over 10,000,000 francs, and they were willing to mortgage that under a trust deed as collateral security. But one thing they could not do was to pay in dollars, or to sell such securities on the market at present on account of the loss which that would entail to them. Therefore, at present, the situation is this as regards the shipbuilding industry in Canada. It is a question of either letting the shipbuilding industry go by the board or assisting it in some way or another. Three plans have been proposed for the assistance of the Canadian shipbuilding industry. One was to assist them by a bonus of \$15 or \$20 on every ton of shipping for which orders were placed with Canadian shipyards. The Government flatly refused to entertain such a proposition. They considered that the Canadian exchequer was not in a position at present to be able to give that assistance by way of bonus or subsidy. Another plan suggested was to finance completely the orders placed by foreign purchasers with Canadian shipyards. Again, the Government flatly refused to accept such a proposition; they would not hear of it. Then came delegation after delegation, and my hon. friend from Three Rivers (Mr. Bureau) and myself have a personal knowledge of the delegations that came and of the proposals that were laid before the Government. If I have any criticism to offer of the Government's present proposal it is that in my opinion it does not go far enough. That feature of the Bill which provides that 25 per cent of the purchase price must be paid in cash is to my mind a bad feature, but the Government insisted that they would not do anything better. It will simply mean that the French purchaser will have to pay 50 per cent of the cost of the ship and will lose 25 per cent. For instance, let us suppose the ship is going to cost \$1,000,000. 25 per cent of that will be \$250,000. The purchaser has to pay that in cash. What is the state of the French currency at present? It is such that the French purchaser will have to give 12 francs to every dollar instead of 5 francs to the dollar under normal conditions. So that in French currency what the French pur-