

easier for those gentlemen who are willing to engage in the construction of dry docks. It is claimed by many who have looked into the matter and who are willing to erect dry docks in different parts of the country where they are needed, that under existing circumstances it is impossible for them to make the necessary financial arrangements to carry out the work. The interest allowed at the present time by way of subsidy upon the money which is put into those dry docks is four per cent per year for a period of thirty-five years. It is proposed to make the interest four and one-half per cent a year for the same period, and further, that that interest may be paid half-yearly instead of yearly, as is now the case. The section would read:

(a) if of the first class, a sum not exceeding four and one-half per cent of the cost of the work as fixed and determined under subsection two of this section, half yearly during a period not exceeding thirty-five years from the time the Governor in Council has determined under this Act that the work has been completed.

Then there is a new paragraph added, which provides that no securities can be issued against the subsidy until it has been established to the satisfaction of the minister that not less than \$1,000,000 has been spent on the work, and the material upon or for such dock. Under the original statute, when \$1,000,000 worth of work and material had been provided, the minister might allow the issue of securities up to seventy-five per cent of the work actually done and material delivered on the site shown to be free from actual incumbrance. It also provides that the payment of the subsidy may begin when the work done and the materials provided amount to \$1,000,000. At present the payment of the subsidy cannot be made until the dock is actually completed. In other words, they do not commence to get any aid under the present Subsidy Act until the dock is actually completed and ready for operation.

Mr. CARVELL: Assuming that the \$1,000,000 has been expended and authority has been granted for the paying of the interest on a certain specified amount—

Mr. HAZEN: That is the subsidy.

Mr. CARVELL:—then, supposing the work was not proceeded with—would the department still continue to pay that subsidy, or would the whole thing lapse until the dock was finished?

Mr. HAZEN: The Government would have to take its chance, of course, with
[Mr. Hazen.]

regard to that. If the work ceases, the Government would not have to pay the subsidy, but it would have already made certain payments. If people were constructing a dry dock and had spent \$1,000,000 in work and materials, the payments of the subsidy would begin when that \$1,000,000 had been spent.

Mr. CARVELL: And would continue even if the work ceased?

Mr. HAZEN: If they had put \$1,000,000 into the work, it is a pretty fair indication that it would be proceeded with and finished.

Mr. PUGSLEY: And the subsidy would be allowed if the minister was satisfied that all claims were to be paid?

Mr. HAZEN: Of course the minister would have to be satisfied that all claims were paid before any bonds were issued. This clause makes the payment of a partial subsidy absolute, whether the dock is completed or not. There are two other changes of a minor nature in the first part of the Act. One provides that the width of the docks shall be increased from 110 feet to 125 feet, and the other provides that the depth of the docks shall be increased, so that the water over the sill shall be 38 feet, not 37 feet as under the present Act. These changes are made in accordance with the representations of the Admiralty, and are rendered necessary because of the larger size of the vessels which are being built to-day.

The DEPUTY SPEAKER (Mr. Rainville): I might call attention to the fact that this is the second reading of the Bill. Perhaps those questions would come up more properly when the Bill is in committee.

Mr. PUGSLEY: I think the Government is acting wisely in increasing the rate of interest to four and one-half per cent. Investment in dry docks has not proven very attractive to capitalists.

A Dry-dock Act has been on the statute-book since 1882. Various attempts have been made to construct dry-docks under its provisions but no dock of the first class has been built. Under the Act as first passed the subsidy was at the rate of three per cent of the cost. It was afterwards increased to three and a half per cent, and then to four per cent. Even with the increases from time to time, there has been very little done in the way of taking advantage of the offer. Some docks of the second class have been constructed; for instance one at Collingwood. I think that