

now we demand that you give it to us. We say: It takes time to provide the service, and in the meantime we will do the best we can. We have now decided, instead of leaving this service to somebody else, that we ourselves will probably construct the ships for the purpose of providing the service and in order to maintain it, as the minister has very properly said, upon a business basis, we have further decided that we will have an entity created under the Companies' Act, with powers in addition to those that might be obtained under that act given by the measure that we now have before us. That involves, of course, the creation under the Companies' Act and this statute of a new corporation which will have an appropriate name. To that company will be payable the subsidies granted by this government as well as by the West Indies government.

Mr. DUNNING: No.

Mr. BENNETT: In lieu of paying out money exactly as a subsidy as we have been doing heretofore, we are going to guarantee securities, which admittedly means a deficit, the amount of which we have been very anxious to obtain.

Mr. DUNNING: It was given to the House the other evening, so far as an estimate is concerned.

Mr. BENNETT: So I observed, but we have no figures in detail as asked for last year except the estimate of the minister, which I take it is based on the best information he can secure. In other words, what we are going to do is to back the note of this company for the amount of money that may be necessary to build these ships, and we propose, instead of paying a subsidy from year to year as we have done heretofore for this service, to assume the responsibility for the deficits which are inevitable. Now the true test of the value of this is going to be the extent to which the deficit exceeds the subsidy, having regard to the fact that the ultimate ownership in the venture will rest with the Canadian people who advance the money by endorsing the note of this corporation. That being so—and I observe from the acquiescence of the two ministers that they realize this is really a venture of the Canadian people, pure and simple—

Mr. DUNNING: Of course.

Mr. BENNETT: That being so, is it not right and just that we should add to this legislation a provision that no contract for the construction of these ships shall be made unless

called for by public tender, so that we cannot in any sense divert responsibility from the government to the corporation created by this statute? I am not saying that in an offensive way; I mean it in the sense that the obligation must be a governmental obligation. My observation as well as my experience has taught me that, in the language of Professor Ripley, who has been writing such excellent articles in the *Atlantic Monthly* and other magazines recently with reference to corporate administration, one of the safeguards of the public in this regard is publicity, and that publicity comes through tenders called for publicly from the shipbuilders. I do not say that you are going to put an advertisement in the *Podunk Review*—

Mr. DUNNING: Or the *Calgary Herald*.

Mr. BENNETT: Or the *Regina Leader*. If it were given to the *Regina Leader*, having regard to its proprietorship you would no doubt get a response from the Vulcan yards at Stettin. One of the safeguards of the public which should be provided in this bill is that no contract shall be made by this company for the construction of these ships unless public tenders have been called for. That is the real point I desire to make in regard to this legislation.

Mr. DUNNING: I am sorry my hon. friend was not here the other night because we discussed this at very great length, and I think the discussion centered more around the building of these ships than around any other part of these proposals. I would point out to my hon. friend with reference to his last suggestion, which was also his first, regarding tenders and so forth, that both the Minister of Trade and Commerce and myself, who are primarily concerned in the matter, he with the trade and treaty end and I, of course, with the initiation and operation of the service—

Mr. BENNETT: Although it is neither a canal nor a railway.

Mr. DUNNING: Although it is neither a canal nor a railway. I would point out to my hon. friend that in order to cover the very point he mentions—we are again discussing the bill generally now, Mr. Chairman, instead of by sections—an addition was made to section 8 in order to nail the responsibility definitely to the government with respect to the contracts for the building of these ships, as follows:

All contracts or agreements involving an expenditure in excess of \$500,000 shall be subject to the approval of the Governor in Council.