

by Grant Morden of the Dominion Steel Corporation, to the effect that we could build ships in Canada as cheaply as in Great Britain, and that our steel industries were well equipped to compete with foreign rivals. If this be the case, rather than come to the Government to endorse notes for fifty per cent of the cost of any and every ship, the big interests should go to our financial institutions. But they follow the time-honoured custom of coming to the Government to be pap fed.

My good friend from Parkdale (Mr. Mowat) made reference to the high ocean rates prevailing to-day. I venture to say that by the time these ships are launched and carrying freight on the Atlantic the rates will be considerably reduced. It seems to me that this is another game similar to what has been played in the past when we were persuaded to guarantee the bonds of railway companies. Now we have those railways on our hands, and probably we may have a number of second-hand ships left with us. I notice that some of these notes may be drawn for as long as 57 months—almost 5 years. Now, it is quite possible that a number of these ships after that period of time will not be very much of an asset, but rather a liability, because ocean rates will certainly come down, and this Government, or whatever Government is then in control, will find itself with a number of second-hand ships on its hands as well as the 22,000 miles of railway which cost us altogether too much money.

The hon. member for North Waterloo (Mr. Euler) put the question: Are we to-day going into the money-lending business? It seems to me that we are making a start in that direction. But when we look into the Treasury we find that not only is it empty, but it is over \$2,000,000,000 in debt. The cost of construction of ships per ton in Canada is very much in excess of the cost in the Old Country, and surely there must be something else behind this proposal, because if our good friends really wish to purchase in the cheapest market they could purchase their ships in the Old Country at a much less price at any rate than our Government ships cost us.

We are asked to support this proposition because it will provide labour for our mechanics. But this Government does not need to go very far to find such labour. The Government of Saskatchewan is expending over \$1,000,000 in building good roads, but they cannot find men to do the work. Even this Government told us when

[Mr. J. F. Reid.]

that no labour is available to build the roadbed or to lay the steel. And yet we are told that it is necessary to provide this money to create labour in Eastern Canada. We asked for the extension of branch lines. It seems to me that these two statements are not consistent. I therefore urge hon. members not to take this plunge, and to vote down this Bill.

Mr. A. R. McMASTER (Brome): Mr. Speaker, before this Bill is read the second time I wish again to protest energetically but respectfully, and, I trust, strongly, against the adoption of a measure which is vicious in principle and which will be found to be absolutely unwise in practice. When I look at the members of this Government facing us to-night I am reminded of the saying of the Latin poet that "whom the gods destroy they first make mad," because this is one of the maddest proposals that was ever placed before the Canadian people.

My hon. friend the Minister of Marine and Fisheries (Mr. Ballantyne) inferred that the member for George Etienne Cartier (Mr. Jacobs) was going against the best views of the people of Montreal. I can tell the minister that with the exception of those who are particularly interested in the passage of this measure—and I have some knowledge of the business community in Montreal—the people in that city are utterly opposed to the placing upon this country of indirect liabilities running into tens of millions for the sake of keeping a certain industry going. I do not believe that these yards, if they are properly managed and soundly financed, will have to close down if they do not get this Government assistance. I say that we can lay down no more unsound principle in the administration of the affairs of this country than that any large interest that is in financial difficulties may come to the Government and be assisted. I am appalled, Mr. Speaker, at the functions which this Government are assuming. They are assuming to run the railroads of the country; they are assuming to run a substantial part of the shipping of the country, and now they are assuming to go into the business of lending money on bottomry and respondentia.

The statement has been made by the member for Parkdale (Mr. Mowat) that it would be absurd for the Government to pledge its credit for a farmer who wanted to put up a barn, but it is quite proper, he evidently thinks, for the Government to pledge its credit for the purchase of