

when the Laurier Government was giving large bounties for the production of pig iron? Does he still favour that as a system of protection, and would he be agreeable to it being taken up again to-day?

Hon. Mr. TURRIFF: The system of bounties for the production of iron or steel is not a bad way of assisting an enterprise to get on its feet. My honourable friend smiles, but let him wait a minute. In my judgment it is a great deal better than a high protective tariff, because then we know what we are paying. My honourable friend has mentioned the paying of bounties on iron and steel. The right honourable Prime Minister says that the policy of the Government is that all our manufacturers in Canada must be protected, in order that they may be enabled to hold the business that they have at present and to increase their business in the future. Now, since my honourable friend reminds me of this matter of steel production, let us look into it for a moment. When the Dominion Iron and Steel Company was formed we paid \$11,000,000 or \$12,000,000 to that Company in bounties and in addition gave them a high protective tariff that enabled them to take tens of millions of dollars more out of the pockets of the people of Canada. Did that put them on their feet? Did that set them up so that they could legitimately do business and compete? It is a well-known fact that just before the war the Dominion Iron and Steel Company was on its last legs. It had not for years paid any dividend on the preferred stock. Then the war came, and the company began to experiment with steel and soon succeeded in making a steel that it was able to use in the manufacture of shells for war purposes; and I give it credit for that. It obtained contracts from the Dominion Government and from the Imperial Munitions Board, which enabled it to make tens of millions of dollars of profit, so that \$20,000,000 of common stock that never brought one cent into the treasury, had during the last few years a market value of about sixty-five dollars a share, or another \$13,000,000. And what is the condition of that company to-day? I see in the press every little while the statement that unless the Dominion Iron and Steel Company can get orders from the Government it will have to shut down. So you see that the giving of bounties or the imposition of high duties does not always put a business on its feet, although

it may give it a mushroom growth. The business may practically depend for its existence upon being pap-fed.

We have had other experiences of that kind. The Government during the last few years started in a shipbuilding industry. Before the war was ended there was some reason for that; the German submarines were sinking the ships of the mercantile marine very fast, and Britain was straining every effort to build ships and wanted ships to be built. I make no complaint, honourable gentlemen, regarding the Government undertaking the building of warships before the war ended; but what can be said of continuing after the close of the war the policy of giving contracts for ships to be built at double the price at which they could be built at other places? Let me read to you a despatch which appeared in the Ottawa Citizen of January 7 last, about a month and a half ago:

Vancouver, Jan. 6.—The keels of two new government steamers, the Canadian Transporter and the Canadian Trader, were laid at the Coughlan shipyards here to-day. Seven hundred men are engaged in the yards.

Over two years after the war was over, when the shipping of the world had been increased to a far greater tonnage than it was prior to the war, and when ships were being built in England at so much a ton dead weight, half the price at which the contract is let to build these ships! What can you say for a policy of that kind?

Here is another despatch appearing in the same newspaper of the same date:

Dutch Ships Laid Up

Rotterdam, Jan. 6.—Forty-nine ocean steamers, mostly Dutch, are laid up at the present time at Rotterdam because of lack of cargoes and the low freight rates, according to Burgomaster Zimmermann. He also announces that while more ships entered Rotterdam last year than previously the actual tonnage was only 38 per cent of that of 1918.

My honourable friend the Prime Minister says that we must have a tariff for revenue purposes. That may be quite a fair argument to make.

Hon. Mr. ROBERTSON: Before my honourable friend leaves the subject of ships will he be good enough to inform the House whether or not any of the Canadian Merchant Marine are laid up and not employed?

Hon. Mr. TURRIFF: In answer to my honourable friend the Minister of Labour, I may say that I have not heard that any