

Canadian construction or whether it should be a part of each, and having regard to all the factors we could then see it was thought that the best basis of presenting the calculations to the House would be in the ratio of three and two. That does not mean that we will not call for tenders for all the ships in both Canada and Great Britain. As I indicated previously to-night, it will then become the duty of the management of the organization and finally of the government to decide what proportion shall be built in each country, having regard to all the considerations mentioned in the House during the discussion on the matter. I cannot speak more positively than that. Might I point out to my hon. friend that if we say here and now that these ships will all be built in Canada, in my opinion it would have a prejudicial effect upon the tenders; I think there is no doubt about that. We do intend to call for tenders in Great Britain on all the ships in order that we may have before us all the facts before we enter into any contract.

Mr. HEAPS: My little experience along this line has been that it is unfair to ask companies to tender when they know they will not get the business. I think it will militate against us at some future time.

Mr. DUNNING: I did not indicate that.

Mr. HEAPS: Then is there an understanding that a certain number of ships will be built in Canada?

Mr. DUNNING: There is not.

Mr. HEAPS: Is it possible that the five ships may be built abroad?

Mr. DUNNING: It certainly is.

Mr. MALCOLM: But not likely.

Mr. EVANS: According to the minister's remarks, we are entering upon a project which is most unbusinesslike and of very doubtful benefit to this country; in fact I think from the remarks of the Minister of Railways it cannot be expected to be a paying concern, since no private company would tender for the service. I really wonder why we have entered upon this project at all, seeing that it is an uneconomical thing from the very beginning. We are going to have a line of boats bringing in the products of the West Indies, entailing a very much longer haul than under the present service. I can remember that some years ago when the Minister of Railways was general manager of the coöperative elevators in Saskatchewan he was very emphatic that every part of the business should pay its way. Well, here we are entering upon a national scheme and the

minister admits that it cannot pay its way. It is a foregone conclusion that the minister will have to come to this House and meet a deficit each year, or the New Brunswick potato grower and the Canadian consumer will have to be charged a freight rate or price that will pay for the service.

Mr. DUNNING: We cannot do it.

Mr. EVANS: Then we will have to meet a deficit every year.

Mr. DUNNING: Yes.

Mr. EVANS: Why in the world have we entered upon such a contract as this? What benefit will be derived from it?

Mr. CAMPBELL: I should just like to say that I realize that we have a trade to keep up with the West Indies and we can hardly ignore that even if we encounter a loss. But those of us in this section of the House have been protesting for many years against the large subsidy paid to a private company operating ships between the ports of Nova Scotia and the West Indies. We have complained of it because we saw no direct result from it, and because the company that had entered into the contract with the government, the company that was receiving large subsidies—amounting I believe to about \$450,000 a year—was not living up to the contract. I believe that the proper type of ships was never supplied, and the ships were not equipped with proper facilities for handling the trade. I appreciate the fact that there will be a loss of business for some time, but that loss will probably be made up to us in many other ways. Why even the government itself is carried on at a loss if you look at it from a merely business standpoint; it makes no return from a monetary point of view for the expenditure made. There are many matters with respect to which we have to adopt that point of view. Most of us are married men with families to maintain. We can hardly say that marriage is a profitable investment, and I think that some of these matters must be regarded in the same light. What I am more concerned about is that the system or the principle of government ownership should get a fair trial. Because it seems to me that in the future, in the next quarter of a century in this country, the great political battle will not be between free traders and protectionists but will be between the advocates of public and private ownership. Perhaps my hon. friend from Rosetown (Mr. Evans) will not agree with me on that but that is how I regard the future.