

Ocean Shipping Rates

to do, and that is to subsidize a larger number of ships. In other words, at a rough guess, I should say that to make the scheme reasonably satisfactory, it would be necessary to subsidize forty more ships, so that there would be five hundred trips. This would be indispensable if it were really intended to control Atlantic shipping rates to any extent. That would be fifty ships in all, or five times the number now proposed; that is to say, we should have to spend five times the amount of the present contract of \$1,350,000. That would represent a total expenditure of some seven million dollars per annum. How long would the people of this country consent to put up even half that amount every year for the purpose of subsidizing just a portion of our shipping?

There is another clause in the agreement which I desire to touch upon, and as I am not a lawyer I shall give to the House the interpretation which a prominent legal friend of mine has placed upon it, and which interpretation, I may say, has been endorsed by two other lawyers of my acquaintance.

Mr. POWER: Will the hon. member give the names of those lawyers?

Mr. MANION: Oh no, that is not necessary, but I will introduce my hon. friend
11 p.m. to them outside, one of these days. Let me read from the third

clause of the contract:

3. And it is mutually covenanted and agreed between the parties hereto that the subsidy payable to the contractor in the preceding paragraph is based on the operation and maintenance of a service of ten ships and the subsidy aforementioned shall be increased or reduced as the case may be in proportion to the number of ships operated and maintained by the contractor in the service aforesaid from time to time and such increase or reduction of subsidy shall be added to or deducted from the monthly payments hereinbefore provided for in paragraph two.

I have consulted a prominent lawyer on this clause and his interpretation I have submitted to two other legal gentlemen both of whom concur in it. According to this interpretation, clause three of the contract gives to Sir William Petersen the right to increase the number of ships to any extent he wishes, and he may come to this government at any time and demand an increased payment in proportion.

Mr. CAHILL: How would the government obtain the money without its being voted?

Mr. MANION: The government has signed a contract by which it agrees either to increase or decrease the number of ships that are to operate, and I submit that once the agreement is accepted and ratified by parliament Sir William Petersen can increase the number of ships and the government, without coming
[Mr. Manion.]

to parliament, can pay any increased amount he may demand. At all events, Sir William Petersen, if the interpretation which I have received of this clause is sound, could sue for damages in those circumstances if he were not reimbursed for any further expenditures he might make in connection with the increased number of ships he might put on. Of course, I am simply placing this interpretation before the House as it has been given to me. My authority carries no weight; in fact, I have no authority so far as the legal aspect of the case is concerned, for I have not had the training of a lawyer. But reading the clause as it stands in the contract, I should think that the interpretation I have cited is reasonable.

Mr. MACKENZIE KING: The government has Mr. Lafleur's opinion to the contrary.

Mr. MANION: That may be so, but one of these gentlemen whom I have consulted is as prominent as Mr. Lafleur.

Mr. DUFF: Whereabouts in the contract does the hon. member see any suggestion that the number of ships may be increased above ten?

Mr. MANION: Clause three distinctly declares that Sir William Petersen may increase the number if he desires to do so.

Mr. DUFF: Not the number of ships.

Mr. MANION: Let me read a part of the clause again:

And the subsidy aforementioned shall be increased or reduced as the case may be in proportion to the number of ships operated and maintained by the contractor in the service aforesaid.

Mr. DUFF: Read before that; the number may be up to but not above ten.

Mr. MANION: It does not say so; that at least is not my interpretation of the clause, nor is it the interpretation of these lawyers.

Mr. DUFF: Who are these lawyers?

Mr. MANION: That does not matter; my hon. friend can get the opinions of other lawyers if he wishes.

Mr. DUFF: The meaning is obvious enough without the opinions of any lawyers.

Mr. MANION: My hon. friend may be able to see these things with a clear eye, but lawyers who are trained in interpreting matters of this kind do not see eye to eye with him on this particular question.

Mr. DUFF: Lawyers differ.

Mr. MANION: So do shippers.