

move the American grain that annually goes through the port of Montreal.

Mr. MOTHERWELL: Why not make it \$100,000,000 while you are at it?

Mr. CLARK: Well, you can make it \$100,000,000 in all, and over a period of ten years the Minister of Agriculture will not succeed in moving much more than the total amount of American grain offering for shipment at Montreal.

Mr. MOTHERWELL: Keep on figuring and make it \$200,000,000.

Mr. CLARK: I am putting these figures on Hansard; if the Minister of Agriculture sits down and works them out he will find them to be correct.

The Prime Minister (Mr. Mackenzie King) suggested the other day that the government was going to control the situation, that only Canadian commodities would be carried on these ships. Now, let us see what this cast-iron contract provides in that regard. Paragraph (d) of clause 1 says:

That the control and regulation of the rates to be charged by the contractor shall rest with the government of Canada and that the government shall fix such transportation rates on all commodities from time to time.

There is not one word in this contract which enables the government to say what commodities shall be carried. The government may fix a fancy schedule of rates covering hundreds of commodities; it may fix rates on three or four commodities which may be regarded as favourable to the carrier. Sir William Petersen may under this contract carry those commodities on which favourable rates are fixed to the exclusion of all others, and there is no power on the part of the government to say he must not do that. I am quite prepared to have my opinion on that point submitted to any reputable lawyer in this country, even to Mr. Lafleur, who drew this contract.

Mr. MACKENZIE KING: That is aside from the question. I do not want to interrupt my hon. friend, but does he contend that the government has not the right to fix rates on the commodities?

Mr. CLARK: I am not talking about that.

Mr. MACKENZIE KING: That is the whole point. The government can fix whatever rates it pleases on whatever commodities it pleases.

Mr. DUFF: On all commodities.

Mr. CLARK: Most assuredly; and if the government fixes favourable rates on a few

commodities Sir William Petersen may carry those commodities to the exclusion of all the others upon which the government has fixed lower rates. That is the fact, under this agreement.

Mr. DUFF: Will my hon. friend refer to clause (d), in which it says—

Mr. CLARK: I have given it.

Mr. DUFF: Will he refer to it again? He will see it provides that the government can fix the rates on all commodities, not on some commodities. Does that not cover everything?

Mr. CLARK: Certainly; the government may prepare a most complicated schedule covering every known or imaginable commodity, and Sir William Petersen may pick from that schedule the commodities he chooses to carry. He may carry those commodities upon which favourable rates are fixed, and he may do so to the exclusion of those commodities on which low rates are fixed.

Mr. DUFF: No, no.

Mr. MEIGHEN: Why not?

Mr. DUFF: It says "all commodities."

Mr. CLARK: Further, if Sir William Petersen so desires, under this clause he may carry American grain to the exclusion of Canadian grain. I do not say that he will; I do not suggest that at all; but I do suggest that it will be impossible for the contractor or any carrier to distinguish between American and Canadian grain. They are mixed, and Sir William Petersen may carry, and will carry, American grain out of the port of Montreal; in other words the Prime Minister is subsidizing Sir William Petersen in order to relieve the already overburdened taxpayer of the United States by carrying the commodities that are grown in the United States and shipped through the port of Montreal. That is what it amounts to.

Mr. PUTNAM: If the grains are mixed, is not that the utmost physical proof that the government could control the rate on Canadian grain?

Mr. CLARK: I am not talking about rates, but about the Prime Minister's suggestion that he can insist upon Sir William Petersen carrying Canadian commodities to the exclusion of American commodities.

Mr. MACKENZIE KING: I do not want to interrupt my hon. friend, but he keeps referring to me all the time and misrepresenting my point of view. I hope he will not