

APPENDIX No. 5

ward trade from this country"—that is referring to Britain—"to other portions of the Empire." Now, a little further over there is another sentence which says, "Instead of having a form of a rebate to be paid to you after a certain period of deferment, provided you are loyal, they are substituting an agreement whereby you sign a contract to remain loyal to the ships,"—with certain exceptions. There are two possible forms for rebate, one is a rebate, and the other is a payment of damages if you fail to act up to the agreement to be loyal.

HON. MR. GRAHAM: You must not forget that the British Government is quite a shareholder in the shipping on the High Seas, and the Shipping Board's activities in some parts of the Empire have been to straighten out difficulties, the result of which has been to practically get a monopoly of the shipping for certain transportation companies. That is, if they put on a service they ask the shippers to make an agreement that they will give them their business, in order that they may have an opportunity to get the traffic.

MR. MILNE: I realize that, but the British Government are backing the British shippers to that extent. What is the use of our trying to buck the British Government?

THE WITNESS: If I remember the discussion rightly, your question arose out of the North Atlantic Conference matter, and I think the answer that interested you at that time, and it ought to interest you, was that insofar as the North Atlantic Conference was concerned, the granting of rebates had been stopped.

MR. DOHERTY: That is right.

THE WITNESS: I do not think what you read there refers to the North Atlantic Conference. I think it may refer to the general shipping position with respect to England, and I am sure that the answer given to your question with respect to those services in which we are interested, that there are no rebates today being given, is correct. (To Mr. Doherty) Is that right?

MR. DOHERTY: The practice went out of existence 12 or 14 years ago. It was in force at one time between Canada and the United Kingdom, but for the past ten or twelve years it has been out of existence.

MR. MILNE: How about the other direction?

MR. DOHERTY: It covers both directions.

THE WITNESS: Secret rebates may be given.

MR. DOHERTY: Of course.

MR. MILNE: I admit that.

THE WITNESS: There is no way to check it up. If anybody wants to do it, they can "get away with it".

MR. MILNE: Yes.

THE CHAIRMAN: Are you ready to go on with the discussion of the National Railways?

Several MEMBERS: Yes.

HON. MR. GRAHAM: Gentleman, in the absence of the Prime Minister I am compelled to go to Council at 12 o'clock.

As a member of the Committee, I would suggest you take up the question of the purchase of the Paris Building.

SIR HENRY DRAYTON: I think we ought to look for a statement from the Minister on that.

HON. MR. GRAHAM: I will give you a statement any time I am required to, but I am sure the gentleman before you (Sir Henry Thornton) can give you a better statement than I can.

THE CHAIRMAN: Is it the wish of the Committee to take up the Scribe Hotel building matter?