

subsidies. I do not know how much geography the minister knows, but surely he does not suggest that there is a highway between Pictou and Charlottetown.

Mr. STEVENS: No.

Mr. DUFF: The minister's answer was that the subsidy was decreased because in the last few years the people had started to use the highways instead of the old water route. That certainly does not apply to the service between Pictou and Charlottetown, where the only highway is the broad Northumberland strait which sometimes gets pretty rough.

Mr. STEVENS: Of course there was the introduction of the car ferry, which carries a good deal of the traffic, and which was installed after this original contract was entered into.

Mr. DUFF: The minister is wrong there; the car ferry has been in service for a great many years. It is true that under the Liberal government a specially equipped ferry was built and put in service between Cape Tormentine and Borden, but this contract for the service between Pictou and Charlottetown was entered into in solemn form between the owner of the steamship and His Majesty the King represented by the Minister of Trade and Commerce, and the government agreed to pay a certain amount of money for a certain specific service between Pictou and Charlottetown.

Let me say to the minister that this is a most important service. The service from Cape Tormentine to Borden does not take care of the traffic from Pictou to Charlottetown, which is the traffic from eastern Nova Scotia and Halifax, including the mail. So the minister cannot argue that he has reduced these subsidies because a new system of transportation has been adopted, or because of the car ferry service between Cape Tormentine and Borden.

The minister said something about the sanctity of contracts, and he went on to state that in these contracts there is a clause which states that if parliament does not vote the money an action cannot be brought against the government. That is quite so, but the minister did not go far enough. There is no clause in the contract which states that the contractor cannot sue the government if the minister deliberately reduces the amount from \$40,000 to \$20,000. That is a different matter altogether; that is a deliberate breach of contract on the part of the government. I can understand that if this high court of parliament were asked to vote \$40,000; if someone

[Mr. Duff.]

moved to reduce the amount to \$20,000 and parliament voted only \$20,000, then the skirts of the minister and the government would be clear and the contractor could not sue the government for the difference. I repeat, however, that there is no clause in the contract which permits this government deliberately and maliciously to reduce the amount payable under this contract by \$20,000 without first submitting the original amount to parliament.

The minister says that these subsidies have been reduced because conditions have changed and there are other methods of transportation. Again I want to say a good word for the county of Richmond, so let us take the service between Mulgrave, Arichat and Canso. This boat leaves Canso in the morning and crosses Chedabucto bay into Arichat, and where is Arichat? I am specific in my remarks because I want to try to show the minister where he is wrong and where his departmental officials perhaps have advised him wrongly in connection with the reduction of these subsidies. This service goes to Madame island in the strait of Canso; it does not go to the mainland. Arichat is the principal port of that island and Petit de Grat is one of the principal villages; this is in the constituency represented by the Minister of Finance. It is true there is a highway, but it is not a main highway. Arichat is at least fifteen or twenty miles from the main highway from Hawkesbury to Sydney, yet my hon. friend tries to tell this committee that the reason this amount is reduced is because there are new means of transportation. There is absolutely nothing in that argument. Does my hon. friend want a passenger or a bale of goods coming from Halifax to go to Mulgrave, then cross the strait of Canso to Point Tupper and then go by highway to Grande Anse, and from that point on the main highway to Arichat, or is he going to let the people of Isle Madame go direct from Mulgrave to Arichat by steamer?

This service is in the constituency of the Minister of Finance, so there is no particular reason why I should be anxious about it except that I am interested in business in that part of Nova Scotia. The people on Isle Madame are fishermen; they have to ship all their fish from Petite de Grat or Arichat to Mulgrave. Does the minister want to tell me that it is fair or reasonable to expect the people of Petite de Grat or Arichat to send their fresh fish by truck—not even by motor truck, because there are only one or two cars there, but by horse and cart—from Arichat or Petite de Grat to Grande Anse and then either by the railway to Point Tupper or the whole distance by road? Does the minister