

when these same companies have been receiving, and are receiving to-day, large amounts in subsidies, something like thirteen million dollars if I remember correctly. They should be the last ones to come in and make a complaint when this government is paying a subsidy to Sir William Petersen or to certain contractors.

Mr. LADNER: Would it not be fair if the hon. gentleman would point out to the House that these subsidies which have been paid are in relation to mail contracts and not in regard to freight? That has been the policy of the British government for years.

Mr. DUFF: My hon. friend knows that whilst that might be quite true, the fact remains that they have always complained that if they did not get the subsidies they could not do the business or keep the boats on the routes. We have heard from the present Minister of Trade and Commerce, and from the late Minister of Trade and Commerce when the Conservatives were in power, that these steamship companies complained if they did not get the subsidies. We who have read the history of the country know very well that subsidies have been paid for a number of years. For instance, take the great question of the Crownsnest pass railway, in which our friends from the west are so much interested. They desire to get the benefits of the Crownsnest pass agreement with the Canadian Pacific Railway Company, and rightly so. They say that a previous government gave to the Canadian Pacific Railway certain concessions for fixing a rate on the Crownsnest pass railway; and in view of the fact that the previous government gave these concessions to the western men, these men felt quite justified, and rightly so, in asking that the contract should be carried out by the Canadian Pacific Railway. My hon. friend says that some of the subsidies have been given to the railway for carrying mail, yet we know how much money has been paid to the railways in the country, the Canadian Northern and the Canadian Pacific, to build lines; and if we can vote subsidies to build railways, and grant millions of acres of land for the same purpose—which is another form of subsidy—why can we not under this agreement, if the government feel it is necessary, give Sir William Petersen a bonus for putting in operation a line of steamships, when, in consideration of this subsidy, it is understood that this line of steamers must carry the products of this country at a cheaper rate than they would if they were receiving no bonus? If that line of steamers were to receive a subsidy of

[Mr. Duff.]

\$1,300,000 per year, and charge the same rates as the conference is now charging, my hon. friend would be quite right in objecting, but the subsidy is being paid to the company with the distinct understanding that the government has power to fix rates on all commodities, and these rates must certainly be lower than the present rates or the rates fixed by the different steamship companies.

Mr. LEWIS: The hon. member stated that our own steamers have already received subsidies for the mail service. In this case did the government approach our own Canadian companies, rather than go outside to Sir William Petersen, to make a contract with them?

Mr. DUFF: I am sorry the hon. gentleman is putting me in the position of a minister of the crown. I cannot answer. I do not know. I presume they did. But whether they did or not does not change the fact. I think it was the Minister of Trade and Commerce, or the Prime Minister, who said there was no reason why they could not make a similar agreement with the Canadian Pacific steamship line or some other line. If hon. members will look at clause 1, subsection (f) of the agreement they will see that under this contract this line of steamers must carry immigrants from Great Britain or the continent of Europe at rates to be fixed by the government, and carry all Canadian mails free. So that this line of steamers will carry mails as the other lines which receive subsidies are doing.

Mr. LADNER: Will the hon. member read further? The clause says:

If and when the parties hereto agree upon the establishment of a passenger service—

That may be when the boats are worn out.

Mr. DUFF: It may be when the boats are worn out, it may be to-day or tomorrow, or it may be forever. However, that does not change the fact that the government can compel them to carry mails.

Mr. LADNER: Does the hon. member really think they are going to put on a passenger service? Or is it not merely a question of dealing with the freight combine?

Mr. DUFF: It is primarily done to get lower freight rates, there is no question about that. But there is no reason why a passenger service could not be carried on in conjunction with the freight service, and yet the rates be lower than they are at the present time. I do not know what kind of boats the other ten or twenty or fifty may be. They may be all passenger boats, but this government