

Mr. DUFF: It provides that the service shall be between ports in Great Britain or Ireland or the continent of Europe and Canadian ports.

Mr. MEIGHEN: Yes.

Mr. DUFF: But the contract does not say that they are to leave Montreal and go to Portland or New York, and then cross to Queenstown, Ireland, and then go into Liverpool and Antwerp.

Mr. MEIGHEN: But there is nothing to enable the government to prevent them from doing that very thing.

Mr. DUFF: We can provide for that, of course, in committee, if it is thought necessary.

Mr. MEIGHEN: I see.

Mr. DUFF: That is one of the things we might do. I do not believe the government would object to making that change.

Mr. GARLAND (Bow River): Did not the Prime Minister intimate the other day that changes could not be made until after there had been a conference with Sir William Petersen? Therefore the committee can hardly make any such change.

Mr. DUFF: Even if such a conference as that is necessary the matter can be arranged and Sir William Petersen, I am convinced, will agree to it. As it is the contract is very explicit in its terms, that is that these ships must sail from Canadian ports direct to ports either in Great Britain or Europe.

Mr. LAPOINTE: With all despatch.

Mr. DUFF: Yes, with all despatch—which means direct. However, that need not worry us at all. The point I was trying to make is this: The reason why we should support this contract, if for no other reason, is that under this arrangement these ships will have to go from Canadian ports to Great Britain and Europe. That is why the contract should be supported especially by members from the Maritime provinces who are talking all the time about Portland being used by shippers of grain from the west and shippers of other goods from Ontario and Quebec. That is the reason why we in the Maritime provinces, at least, and I think western men too, should vote for the agreement—because it is going to divert the trade which now goes to Portland to Canadian ports.

A question came up a few minutes ago with regard to the matter of wheat, and perhaps on this subject I may be allowed to make a quotation from the report of the

Royal Grain Inquiry Commission. I might preface the quotation by the observation that the rates on wheat vary very much. At any rate here is what the commission said—page 206:

It is evident that Canadian seaports must have a margin of three cents per bushel, or perhaps more, in their favour in the inland rate to the seaboard, if they are to get this shipping business, or any considerable share of it, under the present conditions.

Notwithstanding the fact that New York is 500 miles further from Liverpool than Quebec is, ocean rates of freight from New York to Europe are considerably cheaper than from the St. Lawrence.

For instance, in October 1923—October is the busy month for Canadian grain shipments—the ocean rate from New York to Liverpool was two-thirds or 6½ cents per bushel, whilst the rate from Montreal was three shillings per quarter or 9 cents per bushel, a difference in favour of New York of 2½ cents per bushel. Authorities most familiar with the trade state that the spread in ocean rates, as between Montreal and New York, averages one shilling per quarter of 480 pounds to United Kingdom ports, which is equal to three cents per bushel in favour of New York.

Now, Sir, although the grain rates do not figure in this conference or combine there is no question but that this reveals discrimination, and it is the duty of this government and this parliament to see if the condition complained of cannot be remedied.

I notice in the statement which has been issued by the shipping companies that they object to the subsidy used in this agreement with Sir William Petersen. Perhaps if any other way could be found out of this difficulty—as the hon. member (Mr. Irvine) said a minute ago—it would be wise for this country to endeavour to take advantage of it and not pay this subsidy. But the question is so serious that it seems to me that if a subsidy is necessary nobody should object to this subsidy being paid. The steamship companies who, in their pamphlet, are objecting to the payment of this subsidy, should be the last people in the world to say that no subsidies should be paid. I do not know exactly what subsidies have been paid to steamship companies in the last few years, to the Canadian Pacific Railway steamships and other lines. No doubt the Minister of Trade and Commerce (Mr. Low) can obtain the information from his officials and tell us how much money in subsidies has been paid to the White Star-Dominion line, to the Cunard line, to the Royal Mail Steam Packet Company, to the Donaldson line, to the Manchester line, to the Allan Steamship Companies and to the Furness Withy Company. I am not objecting to the steamship companies receiving the subsidies, but I say it does not lie in the mouths of these companies to object to this government arranging to pay Sir William Petersen a subsidy for ten ships,