

terfere with Mr. Hanna; we want to give him a free hand to operate the ships; just as we give him a free hand to operate the railways. But I did hear Mr. Hanna make the statement that he was quite prepared to carry raw sugar to Halifax and St. John at the same rate that he carried it to New York for Montreal sugar refiners. Mr. Hanna would naturally be glad to get a return cargo, and sugar is about the only cargo he could get.

**F. S. Cahill, M.P. for Pontiac, Ont.**—I understand that these ships were to be built for the advantage of the Canadian people, but we are told that the ships have been handed over to Mr. Hanna and that he may do as he sees fit; that he may suit himself, not the Canadian people. It seems to me that we could do without this item of \$10,000,000 if it is of no advantage to the people.

**A. B. Copp, M.P. for Westmoreland**—I am not quite satisfied with the explanation made by the Minister of Marine. He tells us that the management of the government steamships has been handed over to Mr. Hanna; I suppose he means that it has been handed over to the directors of the Canadian National Railways, not to Mr. Hanna personally.

**Mr. Reid**—The board of directors, of which Mr. Hanna is President.

**Mr. Copp**—That is what I understand. The Minister of Marine says that the government has no control of the rates; that that is all left to Mr. Hanna; that the government does not want to interfere with him in regard to the steamships, any more than with him in regard to the operation of the railways. We were told by the Minister of Railways last night that when any complaint was made with regard to railway rates those who were interested could appeal to the President of the Canadian National Railways, and if they were not satisfied with this decision they could make a further appeal to the Governor in council, who would take the matter into further consideration and see that a decision was given which was in the interests of the public. If that is the case with regard to the Canadian National Rys., surely it ought to be the case with regard to the steamships built by the Government of Canada and operated by the Canadian National Ry. Co.

**Mr. Reid**—These government steamships have been handed over to the company of which Mr. Hanna is the President. Under our new Railway Act the Canadian National Rys. come under the Board of Railway Commissioners the same as any other railway, and we have the right of appeal in these cases just as any other railway has. Some of our steamships may be under the Railway Act and thus come under the Board of Railway Commissioners. But the hon. member knows that in any case where an injustice has been done there is the right of appeal to the Governor in council, through the department of which I am the head, and any appeal so made will be taken up and dealt with with a view to doing justice to any member who makes complaints, or to any individual. But until it comes before the government in that way, of course, we leave the responsibility for chartering and operating those vessels as before. The only difference is this: You cannot fix a general rate, as you can with the Board of Railway Commissioners. A vessel may arrive at Montreal, and you may want to charter it to China,

Japan or Liverpool, and the rates may differ from time to time. I do not think it is easy to get a standard rate. I rose only to assure the hon. member that at all times there is the right to appeal to the Governor in council, to the management of the vessels, or to the minister himself in connection with either government vessels or railways.

**Mr. Copp**—If the information which Mr. Sinclair has given to the committee is correct, viz: that there has been this discrimination of 20c in the freight rate as between Montreal and Halifax and St. John, the Governor in council should not wait for some one to make an appeal, but should take the matter in hand at once and see that justice is done.

**Mr. Maclean**—The rate to Halifax and St. John was not fixed by the government steamships nor by the Board of Railway Commissioners; it was fixed by the International Sugar Commission, which owns and controls all the sugar production of the British West India Islands until next September or October, and in some way or another it controls the freight. Two years ago it fixed the rate from the British West Indies to Halifax.

**J. H. Sinclair**—What has the government done to rectify this? Has it taken any action at all?

**Mr. Maclean**—It could not be rectified because it is a rate fixed by an inter-allied commission.

**Mr. Copp**—I understand the Board of Railway Commissioners, knowing that raw sugar was being taken to the sugar refineries at Halifax and St. John at 58½c per 100 lb., afterwards entered into a contract, using government ships, for which the people of Canada pay, and gave the benefit of that 20c per 100 lb. to Montreal, and that means that for the benefit of some people in Montreal, absolute disaster is threatened to those two enterprises in the Maritime Provinces each having an investment of some \$10,000,000.

**Mr. Maclean**—Unintentionally a discrimination was worked against the Halifax and St. John refineries. They presented their opposition to this to the railway. Then the railway undertook to place Halifax and St. John in the same position as regards Cuban importations of sugar. A mistake was made, I think, in the first instance.

**Mr. Copp**—What steps is the government taking, in the interests of the people, to correct that mistake?

**Mr. Maclean**—The government has had the matter up before the management of the Canadian National Rys. and this matter has been placed before them. Parliament cannot correct it by discussing the matter here; it might well be left to the business interests involved and the good sense of the management.

**Mr. Copp**—In spite of what my hon. friend says, we are all interested. This is not a matter of whether I have money invested in that enterprise or not; I am interested just the same, and I do not think it is becoming to my hon. friend in a veiled way to insinuate that I have no right to discuss the matter here.

**Mr. Maclean**—I do not say so.

**Mr. Copp**—That is what the hon. gentleman intimated, viz: that I had better leave the matter to the people who are directly interested. I am interested in this matter as a representative from the Maritime Provinces, and if a mistake has been made, while my hon. friend says that the matter has been referred to Mr. Hanna, that is all very well; that may

be the proper way to get this matter adjusted, but when an item like this is before the committee, people who are interested in enterprises in the Maritime Provinces, which enterprises are being driven out of business by circumstances which spell disaster to those enterprises, we should have some assurance from the government that something will be done to see that those people are given a fair and proper settlement.

**Mr. Ballantyne**—I do not want wrong information to get on Hansard. The Montreal Sugar Refineries applied to the Canadian Government Merchant Marine to move the sugar. They had to move it at the New York rate, and they did so. Had Halifax or St. John made the same application to the Canadian Government Merchant Marine, they would have received the same rate. I am sorry to disagree with my colleague Mr. Maclean, but there has not been any error. When the other two refineries make application, they will get the same rate. There is no discrimination whatever.

**Mr. Copp**—Then we are to conclude that there is to be nothing done to straighten this matter out and to see that these industries in the Maritime Provinces are not discriminated against.

**Mr. Ballantyne**—The matter has been arranged.

**Mr. Copp**—How?

**Mr. Ballantyne**—I stated a moment ago that Mr. Hanna is quite willing to move sugar at the same rate for St. John and Halifax, as soon as the industries in the Maritime Provinces ask him to do so.

**Mr. Copp**—Are vessels available to engage in the trade?

**Mr. Ballantyne**—Yes.

**Mr. Maclean**—The St. John refinery has already received a cargo.

### Canadian Manufacturers Favor Canadian Merchant Marine.

The Canadian Manufacturers' Association passed the following resolution at its annual meeting recently: "Whereas, the farmers and manufacturers of Canada will suffer great loss if adequate tonnage is not available during the coming autumn for the shipment of agricultural and industrial products to Europe, and whereas, the possibility of increasing our export trade is largely dependent upon the volume of available shipping be it therefore resolved, that the Canadian Manufacturers' Association endorse the policy of the Dominion Government to create a Canadian merchant marine, and further, that the government be urged to take the necessary steps to build, purchase or lease sufficient ships to satisfy the demand for tonnage.

The Eastern Shipping Co. Ltd., has been incorporated under the Dominion Companies Act with capital stock of 1,000 shares of no nominal or par value, provided that the amount with which the company shall carry on business shall be \$5,000, and with head office in Toronto, to own and operate steam and other vessels for the carriage of mails, passengers and merchandise, and to carry on a general navigation and steamship management business.

Steam Navigation Co. of Canada Ltd. has been granted supplementary letters patent, increasing its authorized capital stock from \$2,500,000 to \$3,500,000.