

*Ocean Shipping Rates*

Mr. DUFF: Would it not all depend upon what rates the government would fix upon the commodities those ships carried?

Mr. MANION: Yes, it would.

Mr. DUFF: For instance, if the government fixed the rates too low, Sir William Petersen or anybody else would lose a good deal of money.

Mr. MANION: He would quit.

Mr. DUFF: If the government fixes the rates high, he makes money.

Mr. MANION: If the government makes the rates too low, Sir William Petersen quits and there is no penalty clause.

Mr. DUFF: Then my hon. friend's argument falls to the ground.

Mr. MANION: If the government fixes the rate so low that Sir William Petersen will quit, then the agreement is a bigger bluff than we thought it was.

Mr. MARTELL: There is no penalty clause provided for either party, but would Sir William Petersen not be amenable according to the ordinary principle of law, to damage for breach of contract?

Mr. MANION: There is no sign of any clause to that effect in the agreement. The penalty, so far as I can see, will come in on the people of Canada.

Mr. MARTELL: My hon. friend knows quite well that it is incident to every contract that if a man is guilty of a breach, he is liable for damages.

Mr. MANION: I understand Sir William Petersen is going to hand this over to a company, but the company is not liable under the agreement. There is no penalty clause in any manner, shape or form so far as I or anybody else can find out.

Supposing this is going to be made effective; supposing the government carries this out with Sir William Petersen, Sir William supplies more ships, and the thing is so effective that Sir William Petersen is carrying enough freight to interfere with rates on the Atlantic, then there is the risk of bringing about on the ocean the same condition as this government brought about on the lakes. In other words, there is the danger of driving the tramp steamers from the ocean altogether. The hon. member for Lunenburg (Mr. Duff) is a good shipping man and he will remember that when the legislation in regard to freight rates was passed, which the Minister of Labour claimed was going to

[Mr. Manion.]

burst up some of those combines, trusts and mergers of which he talked so much, what it did was to drive from Canadian lakes American shipping which stayed away from the lakes until the Board of Railway Commissioners, on the advice of the Department of Trade and Commerce, went across to the American shippers and asked them to come back into Canadian waters and to ignore the law which this government had put on the statute books.

Mr. DUFF: My stand was quite all right on that.

Mr. MANION: I am not questioning my hon. friend's stand in that regard. He is always right. The only thing I would suggest to him would be to join up with the party in which he believes and that is over here.

Mr. DUFF: I have had an invitation already.

Mr. MANION: The danger, to be serious, is that our last condition may be worse than our first, because we must not forget that these tramp steamers have been handling a large proportion of the grain out of Montreal. Last year tramp steamers out of Montreal handled from fifty to sixty per cent of all the wheat that went from Canada and they got at the same time higher rates in handling it than were given to the ships in the conference, the reason being, as I figure it out, that the conference lines have a regular schedule of trips. In other words, they have to sail from Montreal on certain stated days, and they have at times to take wheat, for example, at lower prices for ballast. Therefore, they do cut down below the tramp ships in rates. It is stated in some of the statements that we have received here,—and it has not been refuted—that tramp ships handled one-third of the grain that went from Montreal last year to the United Kingdom.

An hon. MEMBER: Sixty-two per cent.

Mr. MANION: According to my figures, two-thirds of the wheat going to British ports was handled by the conference ships and one-third by the tramp steamers. But of the wheat handled all over the world, that is to Italy, France, Spain, Germany and so forth, about 62 per cent was handled by the tramp steamers. As I say, of wheat going to the British Isles, the tramp steamers handled one-third last year. On that one-third, they got eleven pence per quarter, which, according to my figuring, is 22 cents for eight bushels, or roughly, a little less than three cents a bushel