

August, 1919.

The Canadian Government Merchant Marine Ltd.. Discussed in the House of Commons

On July 5, when the House of Commons was in committee of supply, on the item "Public Works, chargeable to capital, Marine Department, \$10,000,000," the following discussion took place.

J. H. Sinclair, M.P., for Antigonish and Guysborough, N.S. "What does the Minister propose to do with that money?"

Hon. C. C. Ballantyne, Minister of Marine:—I am quite sure that all members of the committee are fully aware of the government's programme for shipbuilding. The very modest amount that we have in this item is to complete the government's programme.

J. H. Sinclair—Could the minister give us any idea of what he expects to earn from his ships? I asked a question the other day about the rate earned on the cargo that the Canadian Warrior carried, and the answer I got was that it was not in the public interest to give the information, and that at the end of the year a statement would be made by somebody to the shareholders—which is the government—but that the people did not seem to have anything at all to do with it. The owners of ships in centers of business make no objection to the publication of the rates they receive for their freights. If you read the New York trade papers you will find the rates quoted day by day, I do not see any good reason why the minister should not give such information to a member of parliament when he asks for it. The minister said, in the answer he gave to my former question, that he carried a certain amount of cargo from one port to another. He did not state the rate he received, and when he was asked to state it he declined to do so. In connection with this matter, I want to obtain from the minister, if I can, the rate that is being charged on raw sugar from the north side of Cuba to Montreal. I drew to the attention of the Minister of Railways some time ago the fact that I was informed that the Shipping Board of New York had made a rate for raw sugar from the north side of Cuba to New York at 38½c per 100 lb. and had made a larger rate to Halifax of 58½c—20c more. It was a curious thing to me, that the Shipping Board of New York was fixing a rate on raw sugar to a Canadian city. That was the first point, then it transpired that one of the government's ships had been used for carrying sugar from Cuba to Montreal refiners at 38½c per 100 lb.—the rate fixed by the Shipping Board of New York to New York,—whereas Montreal is twice as far away from the north side of Cuba as is Halifax; but the refiners at Halifax had to pay 58½c per 100 lb. I want information on two points: In the first place, is our government willing to submit to the New York Shipping Board fixing the rate to Halifax from the north side of Cuba? In the second place, is the government using its ships to carry raw sugar for one particular concern at 20c per 100 lb. less than to their competitors in Halifax and St. John? I would like to get that information from either the Minister of Railways or the Minister of Marine.

Mr. Ballantyne—The reason I was unable to give the information asked for

in regard to rates on cargos carried by government ships is due to the fact that these ships are being operated by the Canadian Government Merchant Marine under D. B. Hanna and his board of directors; it was with no desire on the part of the government to withhold the information were we in possession of it.

J. H. Sinclair—I suppose, Mr. Hanna is a public servant, and if the minister does not know he could get the information by asking him.

Mr. Ballantyne—I will be very glad indeed to get it.

J. H. Sinclair—What does the Minister of Railways say? He is in charge of this business. I notice he smiles. He ought to be able to give me that information. I notified him a few days ago that I wanted to get it before the closing of the house.

Hon. J. D. Reid—The operation of the ships has been by the marine officials and under the board of directors operating the Canadian National Rys. The rates made are kept by that company. Any information, of course, I would have to get from the board of directors, and I can get it if it is in the public interest that it should be given at any particular time. That is the only question that will have to be taken up and discussed at some future time—the question of giving information of that kind just at the time transactions may be made in connection with our great rail-made in connection with our great railway and steamship systems. This is what happens in connection with our railways and also with our steamships. Some person wants to get information that will be of assistance to him individually, and it would not be in the public interest to furnish it to him. I admit that members are entitled to all information that is in the public interest to impart, and I would suggest that at another session both sides get together and decide what information we should give out, for the reason that if it is against the apparent successful operation of our steamships or our railways, either of our steamships or our railways, I am sure there is not a member who would want the information. With reference to the rate mentioned, I do not know anything about it, but there has been in force on the Atlantic for years an understanding that the rates from Atlantic ports to foreign ports are the same whether from Canadian or United States ports. The rates from Montreal to Liverpool would be the same as from Portland or from New York, and probably the rate from Cuba to Montreal would be the same as the rate from Cuba to New York. The matter of getting a return cargo has probably something to do with these rates being generally the same to the Atlantic ports.

J. H. Sinclair—Why are the rates higher to Halifax than they are to Montreal?

Hon. J. D. Reid—I will make enquiries and get the information.

Hon. A. K. Maclean, acting Minister of Trade and Commerce—The sugar rate from the British West India Islands, which enjoy preferential treatment under our West Indies treaty, was fixed by the International Sugar Board. My impression is that the International Sugar Board fixed the rate on sugar from

British West India Islands to Halifax and St. John at 57c.

J. H. Sinclair—Did they fix the rate to Montreal?

Mr. Maclean—No, because during the war Montreal was getting its sugar via New York, and the New York rate from the British West India Islands was somewhat lower, because of the fact that the rail rate from New York to Montreal had to be taken into consideration. The situation to which my hon. friend refers was unfair to the sugar refineries at Halifax and St. John and as soon as I learned of it I protested. The Montreal sugar refineries wanted the Cuban sugar for the purpose of manufacturing it and selling it in the United Kingdom, and if the refineries at St. John and Halifax could not get the same rate as the Montreal people got, they were under a disadvantage in attempting to sell sugar in the United Kingdom. Later, however, I understand, the railway made the same offer to the refineries at St. John and Halifax as was made to the Montreal refineries. I myself think that a mistake was made in the first instance.

J. H. Sinclair—My point is that the government ships have been used for the benefit of the Montreal refineries and to the disadvantage of the refineries at Halifax and St. John.

Mr. Ballantyne—I heard Mr. Hanna say that he was quite prepared to carry sugar at the same rate to Halifax and St. John as he carried it to New York for the Montreal refineries.

J. H. Sinclair—The rate ought to be less from the north side of Cuba to Halifax and St. John than it is to Montreal, because it is only half the distance; but the rate to Halifax and St. John is 20c more than the rate to Montreal; and that is due to the interference of the government. I am informed on credible authority that the government has contracted to carry 36,000 tons of raw sugar from the north side of Cuba to Montreal at 37½c per 100 lb. If that is true, it will be impossible for the refiners at Halifax and St. John to compete with the refiners in Montreal. The point is that the government should not use government ships to favor the Montreal refiners against the interests of the refiners at Halifax and St. John. If the minister cannot clear that point up, the people of the Maritime Provinces will not be satisfied.

Mr. Ballantyne—I thought I had made it quite clear. The government has nothing whatever to do with the operating of the ships or the fixing of rates. The government took care to see that just such a case as the hon. member has mentioned should not arise, as it possibly would arise if the government operated the ships and fixed the rates. But the operation of the ships and the fixing of the rates is entirely in Mr. Hanna's hands. The government did not carry that sugar; the government did not fix the rate; the government had nothing whatever to do with it. If the facts are as the hon. member states, I am quite sure that the Minister of Railways will be glad to take the matter up with Mr. Hanna. But I know that the Minister of Railways, like all the other members of the government, does not want to in-