

and Commerce was taken severely to task for stating that the payments under the contract were always subject to a vote of parliament. I should like to quote from page 2862 of Hansard of May 29, 1930, as follows:

Mr. Bennett: You cannot do these things by order in council; there must be legislative authority to do it. The government get over it by saying: We do not bind ourselves for more than one year, but we fill in ten years or whatever sounds good to the person exploiting the subsidy.

Mr. Malcolm: My hon. friend knows parliamentary procedure better than I do. But how could we do it if we did not pass an order in council?

Mr. Bennett: By coming to this parliament.

Mr. Malcolm: We do.

Mr. Bennett: No, only a year after. Suppose something happens to the government?

Mr. Malcolm: Well, if my hon. friend does not vote the money next year—

Mr. Bennett: Then there is an action in the exchequer court for damages.

Mr. Malcolm: There is a clause in the contract to that effect. It has been going on for years.

The present Minister of Railways and Canals (Mr. Manion) then moved that the item be struck out. The present Prime Minister was very positive at that time that there would be grounds for an action for damages. I just mention this to the minister.

Mr. STEVENS: I would not presume to put my opinion on legal matters against the opinion either of the Prime Minister or of my hon. friend.

Mr. DUFF: What about my opinion?

Mr. STEVENS: I have profound respect for my hon. friend as a sea lawyer.

Mr. RALSTON: I am expressing no opinion; I am simply calling my hon. friend's attention to the fact that the present Prime Minister expressed an opposite opinion to what I understood he said he had been advised.

Mr. STEVENS: I note what my hon. friend has said.

Mr. POWER: What is the total amount paid to the Canadian Pacific Railway Company by way of mail subsidies and steamship subventions?

Mr. STEVENS: For the service between Canada and the United Kingdom on the Atlantic it is \$500,000.

Mr. POWER: Is that all Canadian Pacific?

Mr. STEVENS: Yes. For the service between Canada, China and Japan the vote is \$600,000.

Mr. POWER: Is that all the Canadian Pacific Railway Company receives?

Mr. STEVENS: No, there are some local services. For the service between Victoria and west coast of Vancouver island they receive \$10,000, and for the service between Victoria, Vancouver, way ports and Skagway, they receive \$12,000.

Mr. POWER: A little over a million dollars?

Mr. STEVENS: Yes. These subsidies provide for the carrying of all mails which were previously paid for by the ton.

Mr. POWER: Is this paid on a trip basis or is it just a lump sum?

Mr. STEVENS: It is on an annual basis with a guarantee of regular sailings. My hon. friend knows the general run of their services. Previously we paid for the carriage of the mails but now we do not; it is within the ambit of this contract.

Mr. POWER: Is the Canada, China and Japan service on a yearly basis?

Mr. STEVENS: A yearly basis with a guarantee of certain sailings.

Mr. POWER: Am I to understand that the Canadian Pacific would put on a new boat on this service such as the Empress of Japan without having some guarantee from the government that they were to receive a subsidy over a term of years? Is there not something in the contract or in the arrangement between the Canadian Pacific Railway Company and the government under which if the money is voted by parliament it will continue to be paid over a period of years?

Mr. STEVENS: There is nothing; it is voted from year to year.

Mr. POWER: Is there any arrangement with the Canadian Pacific?

Mr. STEVENS: Nothing that is not disclosed in the estimates.

Mr. POWER: There is no long term contract with the Canadian Pacific in connection with the China and Japan service?

Mr. STEVENS: No, it is made from year to year.

Mr. POWER: No undertaking was entered into either by this or by the former government that this subsidy would continue over a period of years?

Mr. STEVENS: I cannot speak for the former government, but my officials advise