

Mr. LADNER: The hon. gentleman perhaps was not paying attention to my remarks. I took good care to say, where they were not paying or giving good service to the country. In 1897 the government of Sir Wilfrid Laurier made an agreement with Sir William Petersen and his associates, and I am told that Sir William Petersen failed to live up to the contract and forfeited his deposit, which was afterwards returned to him. The point I wish chiefly to make in that connection is this. Why not insert the same precautions and equally sound provisions in this agreement? This agreement, from a lawyer's point of view, is the most one-sided and open agreement you could possibly conceive of. There are no penalties. The worst the minister can do is to serve notice that the agreement is at an end. That may be very favourable to Sir William Petersen, and would not be helpful to the government.

I would like to draw the attention of the government to one or two of the clauses of this agreement, because they are very important, and we do not know whether the government is going to hold us hard-and-fast to the letter of this agreement, or whether the committee is going to change it, and whether a compromise is going to be reached after a further conference with Sir William Petersen. I therefore think it is necessary to comment on these clauses, because we may be faced with that condition when the bill finally comes down. The first clause, as I have already pointed out, provides that the government shall accept the company which Sir William Petersen forms. In my judgment there should have been a provision by which that company should be such as met with the approval of the minister, because in company promotions and organizations it is possible to so organize a company as to completely defeat the end that the government seek in a contract of this kind. It is possible to work all kinds of ingenious schemes by means of control of directors, encumbrances, bond issues and many other matters, by which a company would be an empty quantity, so far as being a party to a contract of this kind is concerned.

My next point, and one which chiefly affects British Columbia, is found in subsection (d) of clause one which says:

That the control and regulation of the rates to be charged by the contractor shall rest with the government of Canada and that the government shall fix such transportation rates on all commodities from time to time.

British Columbia received a very severe blow at the hands of this government when

they allowed the Crownsnest pass agreement to come into force. We have been attacked by land on the railways and we are now being attacked by sea on the Pacific coast, because just as soon as the government brings in preferential rates under the Petersen contract, if it accomplishes the purpose for which the government made this contract, it is going to lower the ocean rates on the Atlantic coast, and in that way create a discrimination against shipping rates from the British Columbia coast or from western Canada, because the government will not be exercising that paternal and wise influence and directing their forces against any combines on the Pacific side of the North American continent. I should like to ask the minister how he is going to protect the western provinces against an adverse result under this contract and according to that provision, or how he can protect it. If the minister is reading his notes I will wait for a reply. If he does not propose to answer the question I will go ahead.

Mr. MEIGHEN: He will never answer it.

Mr. LADNER: I take it our addresses on this contract are in the nature of a debate, when an exchange of ideas would be of some advantage, and coming from Vancouver it is my duty and purpose to place before the government my views of our responsibility in the matter as we see them, and when the time comes to face the public we will tell them what we have done and the answer that the government has given us. I suggest this clause should be added to subsection (d)—

Mr. MacLEAN (Prince): Then the hon. gentleman is admitting there is a combine?

Mr. LADNER: I am not admitting there is a combine. I do not know.

Mr. MacLEAN (Prince): I thought the hon. member admitted that by inference.

Mr. LADNER: If the government is serious in the attempt to lower freight rates on the Atlantic, and their proposition is well conceived and they do lower these rates, is it not plain to the hon. member that it will have an adverse effect upon shipments from the Pacific coast through the Panama canal?

Mr. SINCLAIR (Queens, P.E.I.): That is quite true, but the agreement embodies all the ports, and Vancouver would be included, I think.

Mr. LADNER: No. The intention of the agreement is to control freight rates on the Atlantic between Europe and Canada.