

the text of this agreement that can be argued as giving the minister power to stop Sir William Petersen making a profit of \$600,000 a year, which amount increases every year of the contract. The minister is silent.

Mr. LOW: He will have an opportunity later.

Mr. LADNER: I have heard three speakers make that point, and it is a very important one, and I have not yet heard the minister reply to it. I do not see how he can get around it. It seems to me that with the many one-sided features of this contract, Sir William Petersen has a very fine agreement, and can carry on his financial operations to an even greater extent than is indicated by these figures.

The Foreign Trade Bureau of the Vancouver Board of Trade, whose chairman is one of the largest exporters of lumber in Canada, or in British Columbia at all events, makes a very good comment with respect to this question. They say: One steamer will carry 1,800,000 bushels of wheat. It earns a subsidy of \$135,000. That subsidy equals 7½ cents per bushel, which is the total freight rate from Montreal to Liverpool. But unfortunately these ten steamers could only move about ten per cent of Canada's usual transatlantic wheat movement; so ninety per cent must pay the higher freight rate. Now, who is going to be favoured in the ten per cent of that movement? And who will have the power to give the favours? That is something which I think would be hard for the Petersen people to carry out. If you apply the carrying capacity to lumber, the subsidy amounts to \$16,000 per voyage, and in sixty voyages, which is all that the ten steamers can make in any one year, the lumber rate will amount to \$4.50 per thousand feet board measure; and they can carry only a very small proportion of the export lumber business of British Columbia.

Now, I shall say a few words on the agreement. Sir William Petersen made an agreement with the Dominion government many years ago, in 1897.

Mr. ARTHURS: Are the ships of the Canadian Government Merchant Marine carrying much British Columbia goods at the present time?

Mr. LADNER: The merchant marine does carry considerable goods in the way of export from British Columbia, but the unfortunate thing is that although the government some time ago, after a great deal of persuasion and hundreds of telegrams and after eight or ten

[Mr. Ladner.]

visits of delegations from boards of trade, made the promise that they would establish a customs officer in New York—and headlines a yard wide appeared in the government papers telling us the good news—yet they surrounded that officer with regulations of such a kind that he was absolutely useless, and he does not help the freight at all—that is, the trade between eastern Canada and Vancouver and vice versa.

Mr. ARTHURS: What about the export trade?

Mr. LADNER: The merchant marine does carry a considerable quantity of lumber, and I believe is getting along very well in that respect.

Mr. MacLEAN (Prince): Would the hon. member be in favour of continuing the merchant marine in that trade and on that route?

Mr. LADNER: My idea would be to continue the merchant marine on those routes where the steamers are paying or giving a service of value to the country; but where they are not paying or giving a service of value to the country, the government could use them instead of buying these ten new ships, or paying some other man to buy ten new ships.

Mr. MacLEAN (Prince): Are the ships not doing better on the Pacific coast than on the other coast?

Mr. LADNER: I believe in most cases on the Pacific coast they are making a profit, and where they are making a profit it is only common sense to leave them there to continue making a profit, because government institutions are so much the other way that when we find a ray of light in that respect, we ought to encourage it.

Mr. SUTHERLAND: The Prime Minister says they are no good.

Mr. LADNER: They seem to satisfy the trade of British Columbia in a number of lines.

Mr. GRAHAM: Does the hon. member advocate us withdrawing the east-and-west service through the Panama canal that has been established by the merchant marine?

Mr. LADNER: I certainly do not; I would be insane if I did.

Mr. GRAHAM: I do not want my hon. friend to go that far; but he takes strong ground that we should not run any of these boats where they are not at present paying, and I thought it rather queer.