

as a whole, are facing a dislocation of national trade conditions. It would be impossible to know at what moment Sir William Petersen may fail in his undertaking and thus bring about the consequences likely to result from a failure. Later I will deal with the agreement which he entered into in 1897 with the Dominion government in connection with the steamship proposition at that time.

I have taken the trouble of looking over a history of shipping so far as the British Empire is concerned, and I have found that during the four hundred years' experience in Great Britain, shipping subsidies having commenced about the reign of Elizabeth, there is no record of any such experiment as this government proposes to carry out on the north Atlantic against this huge shipping combine. The report to the British government of the select standing committee on steamship subsidies as far back as 1902, when a very thorough report was given, makes the statement, which is very significant in view of the present proposal of this government, that:

Trade interests are not considered except so far as mail services follow the line of great commercial traffic.

That is, in giving mail subsidies the principle the British government has evolved, after generations and centuries of experience in the actual world of shipping, is that they do not give subsidies to influence rates or to seriously influence trade, but they have given subsidies for mail services so far as mail services follow the line of great commercial traffic. The reason for giving these subsidies, according to the statement, was to follow the great commercial routes. The object of subsidies, according to the policy of the British government during the last one hundred years, has been to provide speed and regularity of postal service, and they also provide for the use of the vessels during war. There is only one instance where that rule has been departed from, and it is in the establishment of a subsidy for the West Indian service to Jamaica, to encourage the fruit trade of those islands.

It is significant to note the hopes of Sir William Petersen in connection with this contract. These words have been mentioned before but they can bear repeating. Sir William Petersen is addressing his shareholders and as the head of this company is telling them what fine things are in store for them. I quote this from a publication of the Vancouver Board of Trade. It says, quoting the words of Sir William Petersen to his shareholders:

You have to go in search of business now-a-days.

Apparently he headed right for our government here.

I have been on a business trip which may bring a considerable measure of success to this country. It will materialize within the next few months, and in the early spring we will see our ships sailing under very much more prosperous conditions than at present prevail, with steamship companies dependent on existing low freights. We will be independent of the existing freight market. It is not a prophecy but also an almost accomplished fact. I am the biggest shareholder in this company, and I shall try to get as many shares as I can. Do not sacrifice your shares.

Are those the words of a man who expects to be an altruist to the people of Canada? Those are the words of a keen business man who has got a contract made against the people of Canada, and he is advising his shareholders to pick up all the shares they can because they are going to make some money on them. Sir William Petersen at the present time owns three steamers that we in Vancouver know about. They had one in 1924 under time charter to a Vancouver firm; another is under time charter to a Vancouver firm at the present time. In working out this contract, Sir William Petersen, as has been pointed out by various speakers, has it within his power under the terms of the contract to substitute in his place a company which the government are bound to accept without qualification. No matter what kind of a company he may get hold of, no matter whether it is loaded up with mortgages, heavily bonded or otherwise under obligation, Sir William Petersen may bring the ships under that company and always be within the terms of the contract. In so doing, as has been pointed out by at least two speakers, he receives \$1,350,000. The boats will cost, I understand, about \$500,000 each or \$5,000,000 for the ten. The ten boats can be purchased on time payments of one-tenth each year, or \$500,000. The interest on the money amounts to \$250,000 for the first year. So that the payments which Sir William Petersen or his company must make in any given year, or rather in the first year, amount to \$750,000. He receives \$1,350,000; so he has a net profit, or money available, of \$600,000 if he operates his boats at cost, without making anything on the freight. If the North Atlantic Steamship Conference are operating boats at a rate at which they must make a profit, naturally it will be very easy for Sir William Petersen to carry on his operations at a lower rate than theirs, complying in that respect with the agreement that he has with the government and thereby put in his pocket \$600,000 a year. I would like to ask the Minister of Trade and Commerce (Mr. Low) if he has got any answer to that proposition. He has made no reply to any hon. member who has urged it so far, nor is there anything in