

additional values from our provincial assets to the Fleishhacker people of San Francisco. Very briefly the transaction is this: The Ocean Falls Co. went bankrupt some time ago, and the liquidator finally arranged to sell its properties to a German-American syndicate in San Francisco—Fleishhacker Bros. & Johnson. These properties included two pulp leases, covering 80,000 acres of timber, a small area of land and some valuable water powers. The Fleishhacker people proposed to form a new company called the Pacific Mills Company, which was to develop this pulp area. But certain creditors of the Ocean Falls Co. were still short about \$310,000, and the liquidator evidently insisted on their being protected. So an agreement was drawn and registered in the attorney-general's department, January 26, 1914. Here it is. In this agreement the Fleishhackers insist that they will only take over the Ocean Falls on certain conditions. First, they must have three years extension of time to put up a pulp mill as the law requires. Second, they must have the pulp leases extended for thirty years at the old rates. Third, the government of British Columbia must assure them that they will give them an additional 2,000,000 feet of timber and assist them in selecting it. Fourth, they must have the water licenses extended for twenty-one years at the former rates. These are the conditions which the document definitely states the government of the province "have consented to grant" and when these things have been done, and not before, the new company will give the creditors \$310,000 worth of its shares. In the whole thing there is not a word about the shareholders, most of whom reside in England. Now what happened? Just thirty-seven days after that agreement was registered the government passed an act extending the pulp leases for 30 years at the old rates. A year later, on the last day of the last session, they passed the bill extending water licenses for 21 years, both bills being almost identical in wording with the agreement drawn by the Fleishhackers. Quite evidently the assurance regarding the 2,000,000,000 feet of additional timber has been given, since the deal has gone through and the new company, the Pacific Mills Co., has been floated at a capital of \$11,000,000, though the minister of land did not mention it in answer to a question regarding such promises put by Mr. Parker Williams on the first of last March. (Cries of "Shame!")

Over Heads of People.

That is the deal made over the heads of the people of this province,

and that is why we say that certain Germans have dictated our laws. What had Mr. Bowser to say about it? He simply avoided the terms of the transaction as he would have avoided the plague. He produced a letter from Mr. Fleishhacker stating he was born in San Francisco, and argues "These men were born in America, therefore they are not Germans, and our transaction is therefore all right." I suppose if they had been born in a stable they would have been neither Germans nor Americans but something else, and the deal would have been still more all right. (Laughter.) Now these men may be estimable American citizens and we were careful not to speak of them as an "enemy syndicate," but I think the world understands today where the German-American stands regarding things British. (Applause.) Here, too, is a front page report from the Daily Province of July 17 of this year giving the names of the attorneys as Oscar Sutro and Mr. Bloch, which helps to let daylight through the letter quoted by Mr. Bowser.

But the attorney-general's crushing argument was to produce an order of the supreme court granted by Judge Morrison, which he solemnly says approved of the whole transaction. He gives an imposing array of counsel and says "They all approved the transfer of the Ocean Falls property and leases to Fleishhacker." Now here is a correct copy of the order of the court to which he refers. I have discussed it fully with four prominent legal gentlemen and all of them are perfectly agreed as to the use that Mr. Bowser makes of it. It was simply a deliberate attempt to fool the public. (Applause.) Neither the judge or one of the counsel ever dreamt of discussing the share the government had in making such arrangements at the expense of the public. The counsel were there to protect the interests of the creditors and bondholders who retained them, and they had nothing at all to do with the public policy of the government in this matter. It was the business of the attorney-general to protect the public. (Loud applause.) He says these men approved. Of course they did, and if the government had made agreements and passed laws to give Fleishhacker twice as much of the public resources, these men, as good lawyers, would have been twice as ready with their approval, because their clients would have been doubly secured. I challenge Mr. Bowser to produce another lawyer who will risk his reputation by stating that either Judge Morrison or these