

You can operate vessels from Fort William across the lake to Georgian bay ports up to the 12th December. What we require is elevating facilities east of the lakes the same as they have at Buffalo. We require low grade double track railways from Montreal to the said Georgian bay ports; when that is accomplished you will freight the wheat across the lakes from Fort William east to the elevators at from three-quarters to one cent per bushel. The railways will carry the wheat from Georgian bay ports to Montreal for 3½ cents per bushel or less, winter and summer; you will have our lake elevators acting as large reservoirs for holding the immense body of grain that will be shipped across the lakes before navigation closes, which will act as freight for our railways during the winter months to Halifax and St. John, our winter ports.

The balance of the Manitoba crop, or the Territories, will be held either in the farmers' hands, or in the interior elevators, or at Fort William until navigation opens on the first of May.

From the foregoing you will observe that a railway round the north of Lake Superior as far as being a factor in diverting the products of our North-west through the all-Canadian channel, in my opinion will be a failure.

The fact of the matter is we are a great many years behind the times; we should have had elevator facilities at Georgian bay ports; we should have had a fleet of vessels on the lakes to carry the grain from Fort William to Georgian bay ports; we should have been far as being a factor in diverting the products of our North-west years ago; what is the position to-day?

Mark my words, a considerable portion of our North-west grain in the near future will be diverted to the south to be shipped from Duluth to Buffalo, and from there by American railways to tide-water. By the policy we have adopted, and what we have neglected to adopt, we are furnishing transportation for our American railways; we are placing our western people in touch with the American middleman; we are doing our business by the back door.

In a word we will never be in a position to handle the products of the North-west until the transportation in the prairie provinces is capable of handling two-thirds of the crop and delivering it at the lake front, say Fort William, before navigation closes, and the facilities for freighting the wheat across the lakes to our elevators, and railway facilities of the proper kind, as I have described for carrying the wheat from the lake elevators to Montreal and Quebec during the season of navigation on the St. Lawrence, and to St. John and Halifax after close of navigation. But you will never bring but a small portion of the Manitoba crop round the north of Lake Superior by an all-rail route to tide-water. A double-track low grade railway from Montreal to say Midland or some other Georgian bay port will be capable of handling two hundred million bushels of wheat during the year, and as I have said, place an engine to 80 cars on a railway such as I describe, and you can haul it to Montreal. However the contents of 80 cars will be condensed into a much smaller number, but the amount of grain that will be contained in 80 of our present cars will be hauled by one engine from the lake port to Montreal.

I can assure you I look upon the present state of affairs, as far as the transportation question is concerned, as presenting anything

but a bright future. I am afraid that before you are much older, you will see a very considerable portion of the products of Manitoba and the North-west Territories diverted to the south of us.

I would point out that if the views of this gentleman, who has given this question a great deal of study, are correct, then we may expect an enormous amount of the grain traffic of the west, in fact practically all of that grain traffic, to come to the western shores of Lake Superior and then the extension of the Intercolonial to the eastern shore of Lake Superior will give that railway the opportunity which, as the Minister of Customs said, is so much to be desired, of competing on equal terms with other railways for the grain traffic of the west. The hon. the Postmaster General referred with some scorn to my proposal as to the erection of elevators, yet this gentleman, who is familiar with the business affairs of the country, familiar with the problem of transportation, expressly lays stress upon the necessity of having large elevators not only on the western shore but on the eastern shore of Lake Superior. As the hon. the Postmaster General thinks it so absurd a thing that the government should enter into competition with private enterprise, let me point out to him that this government has already done that. They have erected an elevator at Halifax, following in that regard the example of the late government. There, however, they are not competing with private enterprise in one sense as there is no other elevator in Halifax. But the government went further and erected an elevator and terminals at an enormous cost, in the city of St. John where that elevator and terminals are expressly in competition with the elevator and terminals of the Canadian Pacific Railway. Further than that, the policy of the government, as announced by the Minister of Railways of the day, declared that these terminals and that elevator at St. John were built for the express purpose of securing a considerable portion of the grain traffic of the west, in competition with the Canadian Pacific Railway. Therefore when we suggest that the government should erect necessary elevators on Lake Superior and elsewhere on the St. Lawrence route and at maritime ports, we are in that only suggesting the continuation of a policy which has already been entered upon by the Conservative government of years ago and by the present government since they came into power.

The next point of criticism I wish to make upon the proposal of the government is that there is no return of any kind for the vast expenditure that is contemplated. There is no control secured by this measure over rates in the west or in the east beyond the general control of the law of this country applicable to all railways. In that regard the railway policy of the government falls far short of that which was entered upon some two or three years ago by the gov-