

Q. By the way, you will be running a passenger service as well as a freight service?—A. Oh, yes, sir.

Q. I suppose you have no idea as to whether it would be a daily service?—A. I think we are set up on a daily passenger service except Sunday.

Q. That is, you are running your main line from Jasper to Prince Rupert along the same basis at the present time, are you?—A. Yes.

*By Mr. Robinson:*

Q. In the development of certain ports on the Great Lakes, the railway companies have obtained in some cases considerable waterfront freehold and also water-lots in the harbours. This has enabled them to supply themselves with adequate terminal facilities and has also enabled them to lease industrial sites to the industries and thereby keep their own hands on the resultant traffic involved. I am not quite clear from your evidence as to what arrangements are being made at Kitimat in that respect for the protection of the railway company.—A. I said simply that we will run our railway down into Kitimat and provide terminal facilities in Kitimat for rail purposes.

Q. May I interject there? Do you have freehold at the present time?—A. No, sir; and I will say incidentally that our ownership of property in Kitimat will be limited to those facilities that are needed for the operation of the railway. We will not own lands in Kitimat for speculative industrial development. It is not the policy of the Canadian National to do that sort of thing.

Q. Well, that used to be the policy of the railway companies?—A. It has not been the policy of the Canadian National Railways for many, many years. It was tried by some of the predecessors of the Canadian National Railways and while you can point to one or two brilliant successes, on the average you find that it was a losing game.

By the time you have paid taxes on idle property for, say, twenty years or so you find the game is not worth the candle. So our policy is to leave in the hands of entrepreneurs the actual development of the industrial potential. We confine ourselves to providing the facilities which will enable that development to take place.

Q. What will be the extent of the land which you will require for your installations at this port?—A. Oh, it will be quite small—a matter of a few acres.

*By Mr. Fulton:*

Q. Mr. Chairman, may I ask Mr. Fairweather what studies have been made of the possibilities with respect to the effect on the main line or on the other main line from Red Pass to Vancouver of the completion of a further line to a port on the Pacific coast?—A. Well, I think it will add to the importance of the line to Vancouver. It certainly will not detract from it.

Q. Would you mind enlarging on that?—A. Well, I tell you, sir, it comes about this way. Obviously Vancouver, at the present time, being a window on the Pacific or a gateway to the Pacific, has and enjoys a certain volume of traffic which it gets in competition with other locations. Now, broadly speaking, that competition in so far as it involves ports is with ports in the United States. The advantages which will accrue through the development of Kitimat as a port will not detract from the advantages Vancouver has. It will simply add to the general advantage Canada would have—vis-a-vis the United States—in engaging in world commerce.

Now, starting from that as a base and translating it into national wealth, if we stimulate traffic from Kitimat we stimulate national wealth. By inference that wealth would not have been created otherwise—by the definition. Once the national wealth has accrued it flows all over the country like quicksilver and