

prove true, as was intimated in yesterday's papers, that the Canadian Pacific railway is making an arrangement for carrying grain to Portland, which is now the system pursued by the Grand Trunk from Montreal, the result would be that the Canadian Pacific railway could accumulate at their own port, Port McNicholl, an almost unlimited quantity of grain during the fall and winter months, storing it in the vessels, and carry it as fast as they could to Montreal, until the first of January, while that port was open—and I hope to see that experiment tried next year. Afterwards that grain could be taken to Portland, which is infinitely better than having it go by way of Buffalo and New York. If that system of transportation proved successful—and the Canadian Pacific and Grand Trunk railways are demonstrating it to a large extent, not only for the export trade but for a part of the United States as well—the trade of a certain part of the United States could be made available to us. If honourable gentlemen will glance at the map, they will see that the eastern states are closer to Montreal than they are to Buffalo. Why not, then, force the trade through Canada? A great deal of the grain is passing in bond; but let us grapple with the fact that there is a market in the north-eastern states not only for wheat in bond, but for corn, oats and other commodities. We have either to go ahead with this question in Canada or to go back; we cannot stand still. If all the prognostications of the people of the United States are correct, the Erie Canal is still going to monopolize the carrying trade for export, and it is the bounden duty of this Government to make experiments and see if we cannot export through Montreal.

There is this further fact to be considered: That during the summer months the Kansas wheat and corn crops pass through the eastern and northern states; and, if we can bring about the change that I suggest, we are going to reap the benefit of carrying not only the Canadian grain but part at least of the vast carrying trade of the United States.

Another interest in this country is that of shipbuilding. We have embarked on an expenditure of, I think, some \$60,000,000 in respect of shipping. As a Canadian, and having some regard for the exchequer, I am glad to know that the bulk of this money is being invested in ocean-going vessels. It would be most unfortunate if it were to be invested in lake vessels, because the cost of construction is so high, and it is very debatable whether Canadian

vessels could successfully compete with American vessels on the upper lakes. Let me review the experience of the past. On the American side from Duluth to Lake Erie there is a continual procession of large freighters carrying ore. That is a restricted trade, and no Canadian vessel can take part in it. To indulge in that trade would be a contravention of the so-called coasting laws. In the early spring a Canadian vessel had some of the advantage of the accumulated wheat at Fort William and Port Arthur; but she was met by the American freighter which was ready and willing to take grain to Buffalo; and, as the American boat was plying between a Canadian point and an American point, there was no contravention of the coasting laws. What was the result? The small amount of trade offered at Fort William and Port-Arthur was taken partly by the American vessels. You say, "What did she do in the summer?" For the best part of the time there was nothing to do and the vessels were tied up until the grain trade came on in the fall. How is that condition to be met? I believe it could be met to a great extent if steps were taken along the line I have indicated so that more grain would pass by rail from the upper lakes to Montreal, and were exported and distributed through the eastern states, because then there would be offered at Port Arthur and Fort William a much larger trade, because there would be a mixed trade in produce of all kinds in addition to wheat and flour.

The business of maintaining ships in Canada is a perplexing and harassing one in this respect, because, while you may build a vessel on the upper lakes, anticipating this trade, there is free trade in vessels, and vessels can be constructed more cheaply in England, and can be brought in and taken out again at pleasure, and there is no protection of the Canadian vessel owner. The question of the Canadian shipping industry on the upper lakes is of very great moment to Canada, because while the lake vessels—and I am referring now to vessels of 260 feet in length, that can pass through the Welland Canal—are not so constructed as to go out upon the Atlantic in the winter time, still there is a possibility that they can be so built; and if you encourage the construction of vessels on the upper lakes, the result may be that you can, to a certain extent, establish a merchant marine on the Atlantic. I will now read from a report of the Canada Steamship Company published in the press the other day. The Canada Steamship Company is a large com-

Hon. Mr. BENNETT.