

Mr. CARROLL: They have. So has British Columbia.

Mr. REID: My hon. friend admits that so far as water transportation is concerned, they have assistance from this Government?

Mr. CARROLL: Yes.

Mr. REID: We agreed on that.

Mr. CARROLL: Were they subsidies?

Mr. REID: They were subsidies.

Mr. SINCLAIR: That means that they were exactly equal. Both of these subsidies were given to ships plying on the coast.

Mr. REID: They get assistance and the people of British Columbia are paying for getting freight from one province to another through expenditures or assistance from the Dominion Government. In British Columbia as I understand it, they have subsidies from one part of the province to another. From Montreal and away down to the lower provinces, they are assisted by subsidies. The people in British Columbia said: We have products that will not stand a heavy freight.

Mr. A. K. MACLEAN: What?

Mr. REID: Lumber and timber, of which they ship in large quantities to eastern Canada. I investigated, and I know that that is so. Millions and millions of feet of timber were shipped to the Toronto harbour works, and they ship large quantities of shingles and lumber. They said: If we could get proper transportation facilities we would have a market that we do not have now in Nova Scotia, New Brunswick, Prince Edward Island and Quebec, for many of these products.

Mr. SINCLAIR: What products does the minister expect to be shipped from eastern Canada to British Columbia?

Mr. REID: The people of British Columbia say that there are manufactured and agricultural products in eastern Canada that they want in British Columbia but which are of such a character that they will not bear heavy freight rates. Then they said: We want to go into shipbuilding, and we want plates and metal products.

Mr. PUGSLEY: The Minister of Trade and Commerce (Sir George Foster) says that we have not got any plates.

Mr. REID: They say in British Columbia: If you will let us get these plates from

Nova Scotia, where the iron is made, and nails and bolts from Montreal and other places where they are manufactured in the eastern provinces, at a cheap and reasonable rate, which can only be done by water transportation, we believe that the interchange of products will be advantageous to those parts of the country which are situated so far apart. They also say that the people from Port Arthur to the extreme eastern end of the Dominion have the advantage of water transportation while from Port Arthur west they have no possible way out unless they get water transportation through the Panama canal. They wanted a line of steamers between British Columbia and the Atlantic coast. It would also help them they claimed in other ways. There would be, in their opinion, no trouble at all about loading two vessels, one starting at an Atlantic and the other at a Pacific port. They had it in their minds that much more traffic would be offered than these vessels would be able to carry.

Mr. A. K. MACLEAN: They wanted a customs officer at New York, did they not?

Mr. REID: Yes, and the hon. gentleman was in favour of that. The only trouble about that was that we were all anxious to keep the trade within our own territory, while the hon. gentleman wanted it to go through American territory. But I did not agree to that.

Mr. A. K. MACLEAN: I think the shipbuilding programme was favoured by the hon. gentleman as a way by which he could get over the request of the board of trade.

Mr. REID: All right; I will admit that.

Mr. A. K. MACLEAN: Tell us all about it.

Mr. REID: Yes, I will tell you all about it. The British Columbia people, having had no line of steamers, wanted the Government to allow them to ship their freight to New York on American vessels and not to go through Canadian territory at all. They wanted to take back goods manufactured in the United States in order to load the vessels on the return voyage and not get them from the Canadian side. I am free to admit that I was of the opinion, then, as I am now, that we should keep the traffic within ourselves and that if we could get Ontario, Quebec, Nova Scotia, New Brunswick and Prince Edward Island to use British Columbia products. I considered it very good business, and I believe the people