

any difference what the Grand Trunk Railway will or will not do. In summer time the wheat will go out by water to Montreal or Quebec or by the Erie canal to New York, so that the question of what the contract with the Grand Trunk is, in respect of summer traffic in wheat, is absolutely immaterial; it has nothing to do with what will happen to the traffic.

I pointed out also, Mr. Speaker, that the manager of the Grand Trunk Railway in presenting the advantages of this contract to his shareholders on the 8th of March declared that it was absolutely essential to the maintenance of the company's position, that it was absolutely essential for the future welfare of the company if it were to continue paying dividends as during the past three or four years, that the extension of its system which it desired should be made at the earliest possible moment. I also pointed out that when the Hon. G. W. Ross, Premier of Ontario, introduced a Bill in the Ontario legislature to give aid to the Grand Trunk Railway, he said that one of the immediate advantages of the scheme would be the bringing of the ports on the Georgian Bay and Lake Huron into connection with Port Arthur, and the extension of the Grand Trunk system thence to Winnipeg.

In view of all this, I am justified in concluding that during the period of navigation on the lakes the original intention of the Grand Trunk Company will be carried out in regard to both east and west bound traffic. The Grand Trunk Railway Company will continue to receive a large quantity of grain at its ports on the Georgian Bay and on Lake Huron, and will continue to convey that grain, as it does at present over its railway system to the port of Montreal. Nothing in the agreement which we have under consideration will militate against the company doing that. So far as the west-bound traffic is concerned, similar conditions will apply. The company will take all the westbound traffic which comes to them at Portland, carry it over their railway to Midland, and thence by water to Port Arthur, to be conveyed to Winnipeg and the west. I am at a loss to understand why the government of Canada have committed the people of this country to the enormous expenditure involved in the carrying out of this contract. All the advantage I can see in it, is the mere chance—and it is only a chance after all—of securing for the ports of St. John and Halifax a portion of the traffic that during the winter months may be brought eastward by rail from Manitoba and the west for shipment across the Atlantic. The Minister of the Interior made that point perfectly clear. After showing that during the period of navigation the products of the west would go by water to the sea-board, he said :

But during the winter months, during the four and a half or five months when rolling stock would otherwise be idle and when ships

are coming to our ports demanding cargoes then the railways will and do haul wheat all-rail. My hon. friend knows that the Canadian Pacific Railway hauls millions of bushels all-rail to make cargoes for these ships, and the Grand Trunk Pacific will have a certain portion of that traffic during that season of the year.

I think, Mr. Speaker, that before you left the chair at six o'clock I proved to a demonstration that so far as the all-rail traffic in the winter is concerned, the Grand Trunk Company is in a different position from that occupied by the Canadian Pacific Railway. The steamers connected with the Canadian Pacific Railway Company have their ports of call on this side of the Atlantic in Canada. The vessels that do the ocean trade of the Grand Trunk Company have their ports in a foreign country, and it will be to the interest of the Grand Trunk Railway Company to divert to Portland every pound of freight which reaches Quebec, instead of carrying it by the proposed line to St. John or to Halifax. But even if it does carry any freight to St. John and Halifax, it will be carried at the expense and to the detriment of the Intercolonial Railway. There is no reason so far as I can see why a business administration making a business contract with the Grand Trunk Pacific should not have bound the company to hand over every pound of the eastbound traffic which originated in Manitoba and the west to the Intercolonial Railway at Montreal or Quebec for carriage to St. John or Halifax.

I pointed out this afternoon that the late Minister of Railways (Hon. Mr. Blair) declared that there was no difficulty in the way of making such an agreement. Mr. Blair also made the assertion that he believed the government had never made such a proposition to the company, and if that be the case I submit most respectfully that the government were derelict in their duty in not striving to bind the company to hand over this traffic to the Intercolonial Railway, or to deliver it at St. John or Halifax, so that the people of the maritime provinces might derive some substantial benefit from that traffic.

A friend of mine has placed in my hand an extract from the 'Globe' of May the 8th, 1903, which emphasizes the point which I desire to make. It contains a report of the meeting of the railway committee held in Ottawa on May 7th. According to this report the hon. member for Bonaventure (Mr. Marcell) put this question to Mr. Hays :

There is an impression in Canada that the traffic of the country will be largely diverted to Portland in winter time. I would like Mr. Hays to refer to that.

And the answer which the hon. gentleman received was as follows :—

Mr. Hays replied that the only limit to that question of the Grand Trunk Railway traffic to Canadian ports in winter was naturally the facilities. There was no reason why the Cana-