

because it is cheap and when finished gives an excellent appearance and answers all the purposes for which interior finished lumber may be required. Bear in mind that the entire shingle consumption of Canada, except at small local mills, comes from British Columbia. British Columbia shingles are the standard article in the market. Now, that trade could be developed greatly but for the excessive rates that are charged by the railways for their transportation from the coast to the East. I am sure that the Canadian Northern and the Canadian Pacific railway are working under joint traffic agreements with the American roads farther south. The freight rate on the production of that country to-day is 68 to 72 cents per 100 pounds, from the point of production to Ontario and Quebec points. For some grades of lumber the cost would be \$10 a thousand, and the freight upon it, to Ontario points, will be \$20 or \$22. I am assured that under the combined system of railways, which may be termed "the Canadian Government Railways," occupying their own territory, free from all traffic combinations, not under the control of the Interstate Commerce Commission or any other body except our own Railway Board, the rate would be much reduced and the trade would be developed to a much greater degree. I have had considerable experience in shipping from the Pacific slope to eastern points, and I am assured by railroad men that the freight rates, averaging 70 cents per 100 pounds, could be reduced to 50 cents if the products were moved in large volume—if they were moved in trainloads instead of single carloads. With the reduction of freight, that would be quite possible and the proposed system of Canadian Government railways would be within the borders of Canada and would facilitate a traffic which, to all appearances, would furnish a very valuable business for those roads for many years, besides giving to the homebuilder, whether upon the plains of the West or in Ontario, an article most valuable in the construction of houses and buildings and at very moderate prices. All of this would go to build up and help the development of the West. It is the duty of the Government of Canada to see that all its interests are preserved, and, in my opinion, it can be done in the way that I suggest.

Sometimes we have difficulties with regard to the movement of coal. Dealers have to transact their business with different companies. At junction points congestion occurs. Coal may be plentiful at one part

of Canada and yet people may be freezing in another part of the country. I think it can be seen that with a system of railways serving the people of Canada, the difficulty of joint freight, the difficulty of congestion and of supplying a deficiency, could be largely overcome. To my mind, the matter is the most important question we have to deal with, and one that might be safely dealt with under the proposed resolution as a starting point. With the acquisition of the Canadian Northern, the question of settling with the creditors and all of the difficulties that have been raised here will adjust themselves through arbitration, and, as we hope, in mutual fair dealings between the Government and the present holders of the railroad. The railway problems of the country will be settled for all time to come.

The government-owned system would deal with extensions wherever they were needed. Millions of dollars would be required for extension into productive points, particularly when we get the immigration, which, as we expect, will fill up the country.

I attach a great deal of importance to that question of developing the timber supplies of the West. At present they are being worked only along the Pacific coast, with the exception that the Canadian Pacific railway have several lumber establishments in the interior; but the vast country to the north which is touched by both the Canadian Northern and the Grand Trunk Pacific is to-day scarcely worked at all. Development would result if the rate were made satisfactory. But until rates are reduced or prices are advanced very materially there will be no very great development there.

The difficulty that we all meet at this stage of the discussion is the condition of the Intercolonial. That question has been dealt with by both Houses of Parliament for many years. The failure of the Intercolonial to earn interest on its cost is always used as an argument against government ownership of public utilities. That difficulty is due largely to the road being under the control of the Minister of Railways and Canals. I can understand that politics would get into that system and would be utilized by the local politicians, and that the road would be expected to do much more than it ought to do, and to do it for a much lower rate than it ought to have. Unless Canada can be assured that a board of trustees could be constituted who would be strong enough to manage the entire system independent of