

as to direct the western trade to Canadian seaports; and that it would seem wise to let the railways work out their own financial problems, and to concentrate Government efforts upon the proper equipment of our seaports with steamship docks and grain storage, upon reducing marine insurance rates and thereby attracting vessels to our seaports, upon building or causing to be built ocean steamers to carry the trade of Canada, and in this way making our railway system fulfil the objects for which it was created, and arrest the alarming diversion of our trade to United States seaports."

We look upon the Transcontinental Railway between Winnipeg, Quebec and Moncton, as being a most valuable addition to the public works of the country, which, if properly completed and equipped with terminals at its seaports, will soon repay Canada, directly and indirectly, the interest upon its great cost. It shortens the distance between the wheat fields and tide water by 214 miles, it is so level that its trains can carry nearly double the tonnage heretofore carried—it runs, between Quebec and Cochrane, through the greatest spruce forests in the world, where numerous water powers are already attracting costly industries which will turn that spruce into pulp and paper, affording employment to thousands and furnishing traffic to the railway. Already more than four thousand new settlers have gone into this district to cultivate the lands of the new and fertile clay belt through which this railway runs. They, too, are furnishing the railway a large traffic in forest products.

In the first year of its operation, this road, without terminals at its seaports, and almost without equipment, has earned the very large sum of \$5,800,000, or more than \$3,200 per mile, a wonderful return for a new road through an uninhabited country. In short, the Transcontinental railway, derided by many people, as costly and useless, has proved itself. Already its trains shorten the time for ocean passengers and mails between tide water and Winnipeg by nine hours, and have reduced the freight upon the export wheat of the Northwestern farmer by more than three cents per bushel.

We are firmly convinced that if ample grain storage is provided at Quebec, Halifax and St. John, so that the railway may have a constant, instead of an intermittent traffic in grain, if steamship docks are built at Quebec (the steamship berths now building at Quebec are entirely inadequate) and St. John, similar to those now being built at Halifax, and if the railway is properly equipped with rolling stock, it will fulfil the objects intended by Parliament at its inception, namely the saving in freight upon the wheat of the farmer of the Northwest, with the consequent increase in the value of his grain, and the securing of its traffic for Canadian seaports. We believe it will do more, because it can be used by Government as a regulator of freight rates, and thus put a stop to the alarming diversion of our western trade to United States seaports, via Fort William and Buffalo, which last year took away from us two-thirds of the grain which should have been shipped from Canadian ports.

We would therefore most earnestly and respectfully suggest that the Government should not adopt either of the reports of the Royal Commission, which would involve a very large increase in the public debt—but that they

should, rather, devote their energies and the resources of the country, without hesitation, to putting a stop to the diversion of our trade to foreign ports, and to making it secure for Canadian ports.

We are firmly of opinion that this can be brought about:

1. By building grain storage for ten million bushels at each of the ports of Quebec, Halifax and St. John, with steamship docks at Quebec and St. John similar to those now being built at Halifax, and also an ample equipment of rolling stock for the government railway system; in which, we are glad to see a beginning has been made, so that the trade of the country may not be stifled, as is the case at present, and that, when necessary, some of the stock may be rented to help out the needs of other Canadian railways, until they are fully equipped.

2. By Government control of marine insurance rates, so that the insurance rates from Canadian ports shall by agreement with the underwriters, be at all seasons of the year the same as from New York. The present discrimination against Canadian ports is driving ships to New York. This might cost the Government something annually, but the result would be worth the sacrifice.

3. By Government compelling all subsidized steamers to accept the same rates of ocean freight to and from Canadian ports, as are current, from month to month, at New York. There would, once the insurance difficulty is overcome, be no injustice in this, because Quebec is 500 miles and Halifax 700 miles closer to Liverpool than New York is.—This might be regulated through the medium of the Railway Commission.

4. The Government to build and operate, in connection with the Transcontinental and Intercolonial railways, not less than ten large ocean freight steamers of 10,000 to 15,000 tons capacity, to run a semi-weekly service from Quebec in summer and Halifax or St. John in winter. These ships could handle about 50 million bushels annually, which would ensure a constant traffic, all the year round, to the trains of the Government railway system, and, in combination with the railway, would prove a regulator of freight rates, to the joint benefit of the farmer of the Northwest and of Canadian ports.

This may seem a programme involving heavy expenditure, but the amount will be trivial, compared with the many millions which would be required if the Government were to take over the railways, mentioned in the reports of the Royal Commission. Moreover, what we suggest is essential if Canada is to reap the benefits expected from our enormous expenditure for three transcontinental railways, and if we wish to arrest the present diversion of two-thirds of our trade to United States seaports, which is so alarming.

The public is always being threatened with the spectre of the dire results which it is said must follow if Parliament does not again come to the rescue of railways which have been built with more or less erroneous judgment as to location.—But have we not already done enough in that direction? Will any great harm come if these roads are left to work out their own salvation, with perhaps a little judicious help as to equipment and ocean terminals? The traffic of these roads is increasing rapidly—why should not the financial interests which