

Three steamers offered for the service, but the inspector, Mr. Tupper, reported against one of the steamers as unsuitable for the service, and the other steamer was on another route, but we did the best we could for the people on the Magdalen islands. I might say right here that in addition to the subsidy voted by this parliament, these people also receive a subsidy from the province of Quebec. The Magdalen islands are 120 miles out in the gulf, and there are, I think, nine or ten thousand inhabitants, largely fishermen, their product, of course being largely fish. The best we could do for them this year was to make arrangements with the former contractors to carry on for this season. Advertisements are now out inviting tenders for a new service. We are advertising for two services, one from Pictou to Magdalen islands, and one from Magdalen islands up to the port of Quebec, and when the tenders are in the department we will consider which of the services will be the most economical and of the greatest advantage to the people of the Magdalen islands, because, after all, they are the people we want to serve. I might say in passing that I recall one year, I think the year before last, when the government was compelled to send a special boat there to take in supplies to carry the people over the winter; otherwise they would have been out of flour and provisions.

Mr. BANCROFT: It is not the intention of the department to maintain the two services?

Mr. ROBB: No, we will decide which will be the better, after consultation with the people of the Magdalen islands.

Item agreed to.

Quebec, Natashquam and Harrington, and other ports on the north shore of the Gulf of St. Lawrence, steam service between, \$85,000.

Mr. BOYS: This item is increasing rapidly. I have been looking at the estimates for the preceding years, and I notice that in 1921-22 the amount was \$50,000 and I see now that it is \$85,000. What reason is there for that very large increase?

Mr. ROBB: The service was extended down much further, I forget the mileage. I think it went down 80 or 90 miles further, almost to the point.

Mr. BOYS: Quite a different service?

Mr. ROBB: Yes, and the only way we were able to secure this service was by giving them a contract for a period of years. There is a development along there of lumber mills and pulp mills, and the people require provisions.

Prior to this service they were served at the lower point from the island of Newfoundland and now the business comes up this way.

Mr. CHURCH: Does the minister intend to extend the subsidy policy for water-borne traffic to the boats on the St. Lawrence and the Great Lakes that might perform similar services for the Trade and Commerce department? I should say that this policy might be extended to the Great Lakes. At the present time there is a monopoly on the Great Lakes. All the small boats are frozen out, with the result that high freight and passenger rates are being charged, particularly for package freight. I think the department should extend the principle of granting subsidies on similar terms to boats on the Great Lakes. There are many people who would take advantage of the work the department is doing along that line. I think the department should do all they can to encourage water-borne traffic and thus obtain cheaper rates for carrying mail and everything else.

At present operating on the lakes is a steamship monopoly and it is working in with the railways. The people on the north shore of lake Ontario, between Toronto and Belleville, used to have water-borne traffic and the advantage of small boats going up and down, and they regulated railway rates for six months of the year. The same condition prevailed at Sarnia, at Owen Sound, at Oakville and in the Niagara district. A steamboat merger froze them all out and left those places at the mercy of the railways.

I think there should be equality of treatment and if the Maritime provinces are going to get the benefit of steamship subsidies, then Ontario and the Great Lakes and the other provinces in central Canada should have the benefit of them also. The people on the Great Lakes should be considered. In the United States to-day the principle of subsidies has been recognized, and has been applied on lakes Erie, Huron and Ontario. There is a boat coming into Toronto belonging to the Kirkwood line; that is run without a subsidy. They are carrying freight cheaply from the Maritime provinces up to Hamilton, Toronto, Cobourg and other places, and are conferring a great boon in regard to package freight on the wholesale and retail merchants who are getting cheaper rates from that Kirkwood liner. They are doing a great deal to benefit trade and commerce. There is a small boat running up to Toronto and these places I mentioned, and the retail man is able to get his goods on time, and is able