

of freight rates, were obtained in order to meet the difficulties of the settlers in that territory. Some hon. gentlemen have mentioned the fact that for a good many years the government of the right hon. the leader of the opposition (Mr. Mackenzie King) had the matter under consideration and nothing was done. May I say for their information that if they will look back over the pages of history they will see that that railway was owned by the provincial government, and they will recall that an effort was made, without success, to secure it for the Canadian National system. That it was not accomplished was not the fault of the King government. In my opinion, so far as the outlet to the coast was concerned, a stumbling block was placed in the way when both railways acquired the northern lines. That presented a difficulty which was not easily overcome.

I never was in favour of the projected outlet by way of Obed. I never could understand why the people in that country should have to submit to a back haul from the territory west of Grande Prairie and the Pouce Coupé country, or why the settlers north of the Peace should have to come by way of St. John or back to Peace River, crossing to McLennan, and making that roundabout journey in order to get out to Obed. With that rich territory, and with a thinly peopled country west of Peace River outlet, that was the logical course for any railway to take to get out of that district. Then they could go direct to Stewart or else to Prince George and connect with the existing lines, thus serving all parts of that territory much more acceptably.

I know that engineers have pointed out the difficulties in the way, but after all, they are not insurmountable; and, after reading a good many of the reports, I have come to the conclusion that even if it meant a little added cost, that cost would be warranted when the construction took place. One can realize the difficulties with which the government is faced at the present time with regard to financing, but I agree most sincerely with the suggestion that this outlet might very well have been undertaken prior to the opening up of the northern route to Churchill, and the opening of a port which at best will not be useful except for four months of the year.

Mr. MANION: That was started in 1911 or 1912.

Mr. STEWART (Edmonton): I quite agree. I have never changed my mind about the Churchill route. And with respect to Churchill, may I say that we had a splendid

service through eastern Canada by water and rail which of course added somewhat to the cost of transportation to the settlers in northern Saskatchewan, but which after all was nothing in comparison to the cost which the settlers in northern Alberta will have to bear until they have an outlet through to British Columbia.

I notice that the government at present is interested in the construction or the improvement of the waterways system. In the light of the situation as it affects the two railway systems to-day, in the light of their earnings and the reduction in their business, it seems to me that while the waterway project must be gone on with some time, it could well be delayed for a short period, at least until this outlet is provided from Peace River to the coast. After that is completed we can take up the waterways question.

I do hope that if this government remain in office one of the first things they will undertake as a great public undertaking is the construction of a railway to give the facilities for which the people of Peace River have waited so long.

Mr. D. M. KENNEDY (Peace River): In closing the debate, I do not feel like saying very much because my throat is not in good condition; but there is one point mentioned by the Minister of Railways (Mr. Manion) which, I think, calls for an answer. If I understood him correctly he intimated that the presidents of the two railways are of the opinion that we shall be entitled to an outlet when we have ten times the present traffic. With all due respect, I should like to remind the president of the Canadian National Railways, through the Minister of Railways, that some years ago he said that the outlet would be justified when we had an export of 10,000,000 bushels of grain or its equivalent in tonnage for three years. Well, we have had the equivalent tonnage for five or six years, and if he keeps running away as fast as that, then the nearer we get to the goal the further away he will be from it. I do not think the railways can justify that position, because the province of Alberta made that road pay in 1927, with the volume of traffic then available, and the outlet would not represent more than double the investment.

I am not insensible to the financial difficulties with which we are faced to-day, but I do not think that in these times, with all our difficulties, we ought to be talking confidence in Canada and acting panic. Unemployment is here and we have to deal with it, and we also have to face a reasonable development of this country. I therefore urge