

when the construction of the Transcontinental was decided upon, I beg to state that the city of Quebec intends to cancel all its arrangements with the Government and to take back the Champlain market property, requiring of course repayment to the city of the value of the market buildings torn down by the Government.

I have the honour to be sir,
Your obedient servant,
(Signed) H. E. Lavigneur,
Mayor of Quebec.

P.S.—Since writing this letter I learn that the honourable the Minister of Railways has given orders that the rails on the main line of the Transcontinental between Quebec and St. Prosper, a distance of fifty miles, be taken up. I venture to protest strongly against that decision, which will compel this railway to use the lines of its two greatest rivals in order to enter the city of Quebec, its only eastern terminal.

Very respectfully,
(Signed) E. H. Lavigneur,
Mayor of Quebec.

A few days ago Hon. Mr. Rogers was asked in the House of Commons by Hon. Mr. Graham, ex-Minister of Railways, why there was no provision in the budget for extra elevator accommodation at Quebec, Halifax and St. John, to handle the grain traffic of the Transcontinental railway. Hon. Mr. Rogers replied that he could see some use for such facilities at Halifax and St. John, but not at Quebec, which, he said, is only a summer port. Can it be possible that this statement reflects the views of the Government with regard to the port of Quebec? Can this be the reason why 27 new steamship berths are being built at Halifax, that the plans propose 25 new berths at St. John, and that only five are being built at Quebec? If fifty-two new steamship berths are required at St. John to do the business of this railway for five winter months of the year, how is the business of the other seven months to be done unless there are similar facilities at Quebec, which is the summer terminus of this railway?

If the present disastrous situation is not soon remedied it is going to have a serious effect upon the future of Canada. Parliament consented to the vast expenditure involved in the construction of the Transcontinental railway upon the distinct understanding: firstly, that it would materially reduce the cost of transporting the grain of the farmers of the Northwest; secondly, that the railway would bring all its ocean traffic to Canadian seaports; thirdly, that there would always be ocean steamers at those seaports to handle the traffic. We have been bitterly disappointed. The railway has proved its ability to reduce by 3 cents per bushel, or one-quarter, the cost of carrying the grain. If this understanding were carried out, this saving would mean that the

Hon. Mr. CHOQUETTE.

farmer would get that much more for his grain, which would be equivalent to an annual gain of about \$20,000,000, on the basis of the crop of two years ago. But it cannot be carried out, because the railway has no terminals and no elevators, and to add to the difficulty, on account of higher marine insurance, ships charge higher freight rates from all Canadian ports than they do from New York. The result is that, after the colossal expenditure in building three transcontinental railways the people of this young country find that two-thirds of the trade which was to have been done by these railways at Canadian seaports, is being done at the seaports of the United States. If this condition cannot be remedied, it is a misfortune which may result in breaking up the Confederation. This condition can be remedied, and in my humble opinion the remedy has been very clearly stated to the Government in a resolution which was passed at a general meeting of the Quebec Board of Trade, which was amplified by a letter from the President of that board to the Prime Minister, which I now read so that it may be preserved in Hansard:

Quebec, July 14, 1917.

The Right Hon. Sir R. L. Borden,
Prime Minister,
Ottawa.

Dear Sir,—At the last general meeting of the Quebec Board of Trade held in the month of June, a resolution was adopted—a copy of which was sent you—respectfully suggesting that the Government should not adopt either of the reports, made by the majority and the minority of the Royal Commission named by the Government to report as to the railway system of Canada, and as to the best means to be adopted to overcome the financial and other difficulties which have arisen, owing to the unfortunate duplication of lines.

May I be permitted to explain, a little more at length, the views of the Quebec Board of Trade, which influenced the recommendations expressed in the resolution in question.

The reports of the Royal Commission both recommend, though not to the same extent, the acquisition and operation by the Government of certain railways constructed by companies.

We are of opinion that this would not be the wisest course—in the first place, it would mean an increase of the public debt of Canada to a figure so vast that it might weaken the splendid financial strength of the country in the money markets of the world. In the second place, Government operation of railways is often far from being satisfactory, and it lacks the initiative which company management generally has, initiative of which we have so splendid an example in the case of the Canadian Pacific, which has done so much to bring about the great prosperity and financial strength that we now enjoy.

Our Board is of opinion, as stated in the resolution, "that the Government management of its own mileage, between Halifax, Quebec and Winnipeg, now operated by the Government, should be sufficient to regulate rates, so