

Railway was constructed by the Government in 1904. It was understood at that time that the grain of the West would be carried by rail to Canadian ports, which would be properly equipped to accommodate it. It is my belief that the proposal contained in the Speech from the Throne for the equalization of freight rates is an evidence of the intention to carry out the policy of Laurier and to remedy the present injustice. Why should we pay 21 cents a bushel for the hauling of wheat from Fort William to Montreal or Quebec, when the rate for an equal distance west of Fort William is only 11 cents?

As for the control of ocean rates, could anything be fairer than to recognize a saving in distance by making a proportionate reduction in the charges? But what do we find? Halifax is almost 700 miles nearer to Liverpool than is New York; Quebec is nearer by 500 miles, and Montreal by 350. Nevertheless the steamship combine, who make huge profits, charge 3 cents a bushel more to carry our wheat from Montreal to Europe than the rate from New York.

The Government is to be congratulated on having taken the initiative for the control of ocean rates. Let us hope that it will prevail upon the insurance underwriters to charge equal insurance rates to vessels sailing in Canadian and those sailing in American waters.

As to the improvement and equipment of our harbours on the eastern and the western seaboard and on the St. Lawrence, it is evident that the trade will not be satisfied unless those ports are provided with all the facilities necessary to enable them to meet the requirements of modern navigation.

Grain production in the West is now eight times greater than it was twenty years ago. While there is need for rigorous economy in public expenditure, it must be remembered that the loss of our grain trade is as costly to us as it is profitable to our neighbours to the south. The solution of this problem is urgent.

That the Government is occupied in solving the problem is shown by the fact that at Vancouver, Prince Rupert and Montreal elevators and docks are in course of construction. Work for the improvement of the port is in progress at Quebec, which a few years ago turned over to the Government properties valued at two million dollars. I understand that the West and the Great Lakes country are equipped with elevators and warehouses having a storage capacity of 200,000,000 bushels of wheat, while the eastern ports of Montreal, Quebec, Halifax and St. John can accommodate only 20,000,000 bushels.

Hon. Mr. TESSIER.

Buffalo is also very well equipped in this respect—partly, I am told, by the expenditure of Canadian money.

As to the harbour of Quebec, it suffers an injustice from the fact that the railway companies charge a higher freight rate on goods shipped there from Ontario or the West than they do on the same goods shipped to Montreal, alleging that they must receive additional compensation for the longer haul; while, on the other hand, the steamship companies charge on goods at Quebec the same rate as at Montreal. Thus the port of Quebec is placed in an unfavourable and unfair position as regards the "through rate," that is, the combined railway and ocean charges, though the total mileage is the same. Obviously this intolerable situation requires to be remedied.

By the construction of the National Transcontinental Quebec is brought 214 miles nearer Winnipeg than is Montreal. The railway was built for the purpose of uniting the provinces of the West and those of the East and opening a new route for the movement of western products to Europe, with Quebec as the eastern terminus.

The Transcontinental, though completed several years ago, has not yet been used for the transportation of grain. Let us hope that the time will come when this line, constructed at great cost and sacrifice, will be utilized to meet the requirements of steadily developing trade.

Quebec, being the summer terminus of the principal railway lines that traverse our country, and having one of the largest natural ports in America, owned by the taxpayers of Canada, is destined to accommodate in the near future a greater number of vessels of large tonnage sailing on the St. Lawrence route. The biggest ocean-going vessels can enter that port at any stage of the tide.

The prosperity of the port of Quebec has been retarded for many years by the lack of facilities and by the prohibitive rates charged by the transportation companies. The Government, by means of the proposed developments at Wolfe's Cove, will remove one of these drawbacks. It is hoped that in the readjustment of railway rates on goods for export, as announced by the Government, justice will be done to the port of Quebec. In that way the Government will help to place that port on a solid business basis and enable it to compete on an equal footing with other Canadian ports.

It must not be forgotten that the harbours of Quebec and Montreal are both necessary in the transportation of Canadian products by