

In consequence of the destruction of this market the city has been obliged to establish a new market on the banks of the St. Charles river, and this new market cannot be used by the small market boats until after the present sluicing and dredging operations on the St. Charles river have been completed.

To facilitate the Railway Department in locating the terminus of the Transcontinental the city consented to grant to it without charge 133,000 feet of ground in Victoria park, worth at current prices about \$400,000.

The city agreed also to furnish free of charge the water supply for the railway workshops of the Government, a concession which the city refuses to the most deserving charities, and the capital value of which represents a very considerable sum of money.

M. Napoleon Drouin, ex-mayor of Quebec, sent as a delegate to Ottawa on November 2, 1915 by the City Council of Quebec, has proven by official documents that these different grants represent a value of over \$3,000,000. In return for these enormous sacrifices, which are out of proportion to the means and the population of Quebec, and which were imposed upon us as much by the previous government as by the Government of the day, the Government, by a legal contract dated August 26, 1910, undertook to build in Champlain ward, on the St. Lawrence river front, docks, elevators and terminal facilities to the value of \$2,000,000 over and above the cost of the right of way and the cost of construction of the shops, and in addition to the wharves which were then in course of construction and on which the work has since been suspended. The Government undertook to build the said shops within the limits of the city or in its immediate vicinity.

The city of Quebec has never renounced any of these conditions, and the Government has never fulfilled any part of the obligations specified in the contract, except with reference to the construction of workshops, which were erected in one ward of the city and were completed a few months ago at a cost of \$1,800,000, with the exception of one building, and are not yet in operation and have not been equipped. The honourable the Minister of Railways has alleged that the shops in operation at Moncton, Rivière du Loup and Transcona are sufficient for the work necessary, and does not see the necessity of incurring the expense of equipping the railway shops at Quebec before they are needed.

We are of opinion that the minister has been badly advised by his subordinates in this matter. Thus it is a notorious fact that the Intercolonial shops at Moncton and Rivière du Loup are inadequate for the Intercolonial. How can it be maintained that they can be overloaded with the work of the Transcontinental, which extends a distance of 1,800 miles? The Transcona shops are not utilised merely for the Transcontinental alone, they do all the work of the Grand Trunk Pacific from Winnipeg to Prince Rupert, a distance of 1,800 miles. Moreover, the Transcona shops are not located so as to be able to serve the Transcontinental economically. Those shops are 448 miles from the head of Lake Superior and 1,350 miles from tidal waters, so that the cost of coal, steel and other materials required is very high. On the other hand, Quebec is more advantageously situated, nearer tidal waters, where these materials can be delivered at much less expense. Labour is cheap here, and Quebec besides being at the head of ocean navigation, is a central point for the Government railway

system, and is a peculiarly suitable location for the big workshops which the Government has built here.

The Government must certainly have had all these advantages in view and deemed them of great value when it agreed by contract with the city of Quebec to build the shops in this city at a cost of about \$2,000,000. The expense of equipping the shops is assuredly not a sufficient reason to justify the attitude taken by the Government towards the city of Quebec.

It has been pointed out to the Government that the Transcontinental is not adequately provided with rolling stock, that thousands of carloads of pulp-wood and other freight, the product of the labours of the new settlers along the railway, cannot be transported for lack of cars. There is no more favourable place than the workshops at St. Malo for the building of these cars. These St. Malo shops could employ 1,500 men, thus relieving the unemployment at Quebec due to the sudden closing down of the Ross factory and the dismissal of nearly 3,000 employees. The Transcontinental lacks rolling stock; why not build it at once?

May I point out also that the manner in which the Transcontinental is being operated by the Railways Department is far from being satisfactory to the people of Quebec. Every effort is apparently made to provide a rapid service with first-class equipment, between Toronto and Winnipeg, where three transcontinental lines are in competition, and where, the Canadian Pacific being shorter than the Transcontinental, the latter cannot compete successfully. But from Quebec to Winnipeg, where the Transcontinental is 214 miles shorter than the Canadian Pacific, nothing is being done to encourage the steamship traffic from overseas and from the Maritime Provinces to take advantage of this great saving of distance and of time. The trains are made up of old worn-out cars from the Intercolonial, whose appearance and sanitary condition leave much to be desired. In fact, this line between Quebec and Cochrane is treated like a simple branch line instead of being considered as the main line, shortening the distance between Quebec and Winnipeg. And yet this is what had been represented to the citizens of Quebec when they were induced to agree to concessions equivalent to \$3,000,000.

In spite of all these disadvantages, the operations of the railway show the surprising result of gross receipts amounting to \$5,798,516 and a surplus of \$429,455. This magnificent result, which you did not expect, shows clearly the wisdom and necessity of equipping this highly valuable property by establishing suitable terminals and providing sufficient rolling stock without further delay, so that this railway may stop the diverting of our western trade towards the United States, which now occurs to an alarming extent.

In conclusion, I am desired by the City Council of Quebec to protest strongly against the decision of the honourable the Minister of Railways not to operate the Quebec workshops, and I respectfully submit that it should be done without delay and that the terminal work in Champlain ward should be completed without delay, in accordance with the terms of the agreement of August 26, 1910.

If, however, the Government persists in not treating this railway as a national enterprise, which would provide the farmers of the Northwest with cheaper transportation for their grain shipped to Canadian ports, an object which we have always understood Parliament had in view