

To erect and maintain in Fort William its principal Lake Superior terminals, works, and head office, and engineering, construction, and operating staffs in connection with and pertinent to the said Lake Superior Branch.

These terminals consisted of such things as round houses, machine shops, repairing shops, work houses, superintendent's headquarters, engineering, construction and operating staffs, and the lake and rail traffic pertinent thereto. That at least was the spirit of the agreement entered into by the city of Fort William, which has lived up to the agreement. It has paid over the money, given the exemptions, and fulfilled all the other terms of the agreement. The people of Fort William never believed that they got their money's worth from the agreement, but so long as the company lived up to the conditions they agreed to, the city felt that though it had not derived very great advantage from the contract it must nevertheless take its medicine, so to speak. The people thought they would be sports enough to stand by the agreement, whether they were winners or losers.

About 1913 the Government took over the line on a lease to work it in conjunction with the other lines of the Canadian Northern and the Government railways, and from that time on the people of Fort William have been gradually losing as a result of the agreement. You will readily understand that a city of 8,000 or 10,000—the population was about that when the bonus was given—having given \$350,000 cash, to say nothing of the various other concessions they made, worth hundreds of thousands of dollars, have shouldered a heavy burden in this undertaking, and they are realizing now that it has been a losing proposition. The Board of Trade met some months ago. I was present at the meeting and on my suggestion they appointed a committee to look into this matter. They waited upon the superintendent at that place, but on orders from the authorities higher up, he refused any information as to the conditions that existed at that time in comparison with previous conditions. At various times since, citizens have noticed, without any information from the superintendent, that various trains have been taken off which made their headquarters at Fort William, both passenger and freight trains, various officials have been removed and freight, passenger and other traffics which had been transferred at Fort William, were no longer being transferred there. Large staffs of men were taken away and the city has lost what it would have gained had the agreement been lived

up to by the other party. I will not go into the question in great detail.

There is nothing new in this condition, because I remember that nearly three years ago I came to Ottawa with a deputation and waited on the Minister of Railways. At that time we foresaw that we were going to lose certain things on behalf of desire for efficiency, but while we had no objection to anything being done to promote greater efficiency, we wished either to get what was coming to us or something equivalent to what the city had spent, both in this cash bonus and in the various grants it had given. We waited on the minister and later on we interviewed Mr. Hanna in Toronto. I have under my hand a letter written by the Board of Trade to the Minister of Railways on November 2, 1918, two and a half years ago. The minister throughout has been very friendly to the city, and I believe it has been his desire to give the citizens justice. But it has always been pointed out that the railways are operated by Mr. Hanna and a directorate. The city lately concluded that they were not getting justice. There was no sign of their getting what was due them, and so they took legal advice. They consulted some of the best lawyers in the country who upheld their contention that they had undoubted rights in the matter, and that if the terms of the agreement were not complied with on the part of the other party, they had a perfect right to institute a lawsuit. I have spoken to, waited upon, and written to Mr. Hanna on the question and he gives various excuses as to why changes are made, but he always insists that Fort William should and will get a fair deal. He claims that the changes have been made in the interests of efficiency, and I have no argument against any steps in that direction, nor have the people of Fort William. But neither they nor I agree that all these changes have been necessary in order to promote efficiency, and whether they are necessary or not, they should not all be made at Fort William's expense and the city unquestionably has a right to some return for this cash bonus of \$350,000 and the various other grants they have made. Certainly the citizens do not intend to sit quietly by and see the profits which should accrue to them taken away. Without going further into the question, I wish to say that the people of the city of Fort William which I have the honour to represent expect that this agreement will be lived up to by the other party. They realize that when