

carry grain as American vessels have because it does not interfere with the coasting trade at all.

Mr. HUGHES (Victoria). Don't they carry freight from New York to Liverpool now?

Hon. Mr. HAGGART. Don't they do it from New York to Liverpool, from Boston to Liverpool and from other American ports? As long as it does not interfere with the coasting laws of the United States, that is by carrying grain or passengers from one American port to another, a British registered ship can go to Milwaukee, Chicago, or Duluth and load grain for a Georgian bay port as well as an American vessel can.

Mr. McCREARY. As a matter of fact has not the Canada Atlantic Railway Company seven steamers, four of which are registered in the United States and fly the American flag?

Hon. Mr. HAGGART. I do not know whether they have or not, but I believe some of these vessels that are carrying to Depot Harbour belong to Mr. Booth himself and that they are carrying grain from Duluth and Milwaukee. They have just as much right to do so as an American vessel, so long as they do not interfere with the coasting laws of the United States, and our Canadian vessels, have a right to trade with American ports under similar regulations. The Prime Minister said there were 12,000,000 bushels of wheat carried on the Canada Atlantic via Depot Harbour to American seaports, but what is to prevent that being carried on Canadian railways to Canadian ports? There are 20,000,000 bushels of Canadian grain exported via Port Arthur and Buffalo, and there are only 12,000,000 bushels of American grain carried via Depot Harbour, some of which goes to Montreal and some to Boston. If we could carry all the grain which is grown in the North-west, on Canadian railways we would not need to carry American grain at all, and it is the duty of Canadian statesmen to divert through Canadian territory, that traffic which is now going to Buffalo. The feeling is growing in this country that we ought to have a government railway, and that it is the only means by which we can equalize freight rates on Canadian roads. The Grand Trunk Railway Company had for its object at first, the building of a road towards the north. I was in favour of that, and I am in favour of assisting them to do that now so long as they do not interfere with existing railroads. I would be in favour of aiding the Grand Trunk liberally towards that end. That is the policy of the leader of the opposition. He is in favour of a government-owned railroad having its terminus at some point which would enable it to compete successfully with other railroads in Canada for the purpose of obtaining freight to Montreal, or to the ports of the maritime provinces. The only possible through-freight

that can possibly be obtained for St. John and Halifax, is the freight which comes to the Georgian bay ports, and which is carried by the Grand Trunk Railway, or the Canadian Pacific Railway, or the Canada Atlantic Railway, or by a government-owned railway if we had one, to these points. That is the only possible way, of increasing our traffic with the maritime provinces, and for that reason I am in favour of the proposition of my hon. friend the leader of the opposition. I shall not deal at any length with the location of the government line, or its cost, or the probabilities of its success. I have already shown the absurdity of building a road such as this from Winnipeg to Quebec. I would be in favour of a line of railway which would go north of Lake Winnipeg, which would give us a through-route, and which at the same time would open up new tracts of wheat growing country in the North-west and Manitoba. But with regard to this eastern section, it should be the policy of the government to divert most of this traffic through Ontario, Quebec and the maritime provinces to the sea-board. I cannot understand the policy of the government in building a road from Winnipeg to Quebec of the description and design which they propose, and which if built up to the standard described, will cost an enormous amount of money. I trust that the country through which it is proposed to build the new line is suitable for agriculture; I hope it is a country abounding in minerals, and that it has, what is perhaps more valuable still, extensive waterfalls which can be developed for manufacturing purposes. I heard my hon friend from North Lanark (Mr. Rosamond) tell how a nephew of his who had been examining the Lake Abitibi country over to the north of Lake Nepigon, found that there was a territory there, two or three hundred miles long and fifty miles wide, comprising excellent cultivable land, and that underlying the whole of that territory there were immense deposits of the best lignite coal. If that be the case, it will solve the fuel difficulty in this country, and it will enable the locomotives to be supplied with fuel. But even all that is no justification for this enormous expenditure. The statement of the Minister of Finance, that if the present surplus continued for a few years it would cover the whole cost of that railway, is simply nonsense. How are they to recoup the people of the country for the expenditure? They propose to appoint a commissioner to issue debentures for the sums expended and they imagine that the mere paper debentures will be a return to the country for the money expended. It is like a friend of mine who always thanked God that a Bill was paid, when he gave a note for it. If when Julius Caesar landed at Dover, a penny was placed at compound interest; that original deposit and the interest thereon would to-day build all the railroads in Canada. It looks as