

benefits will be found from one boundary of Canada to the other. Therefore, Vancouver Island and the city of Vancouver will receive benefits from Kitimat in common with the rest of Canada. We took that into account when we were figuring.

Q. And you visualize the two growing side by side and not in competition?—A. Quite, sir. I want to make clear that my studies indicate this Kitimat development will damage nobody in Canada.

Q. Mr. Fairweather, what is the position then of getting freight to the ocean? When you have enough traffic, as I understand it, you visualize now to run a more frequent service on the line to Prince Rupert. Will it then be the case that as far as reaching tidewater is concerned it will be as economical and as cheap for the railway to haul it to Kitimat from Vancouver—A. I would say that coming from a point east of the Rockies there would be very little difference.

Q. What I had in mind there is that I was wondering whether possibly because of some more expensive operation or a more difficult route to maintain, or something of that sort, it might be that freight coming from the east destined to Kitimat would find its way to Vancouver and then be shipped by water up to Kitimat—or do you think it will be the other way around?—A. I may say this to you, sir. The railway does not route traffic. All we do is offer service and we offer service to induce traffic to flow by whatever path it wants to flow. What we do with regard to this traffic we are talking about—import and export traffic—is that we put Vancouver, Prince Rupert and Kitimat on the same competitive basis as any United States port; so that a shipper located anywhere down in the United States, or anywhere where he has an alternative choice, can ship, so far as rates are concerned, to one as effectively as to the other. It is up to him to make the decision. But you see, the railway is only an intermediate carrier. He has also got to make the boat arrangements. We do not make them for him.

Q. Is Kitimat very many railway miles closer to Edmonton than is Vancouver, or are they about the same?—A. I do not think there is an awful difference. I think actually Kitimat is further away.

*By Mr. Green:*

Q. Are you running any boat service into Kitimat—both for passengers and for freight?—A. No, sir, we are not.

Q. Your boats do not call there at all?—A. We do not call there at all.

Q. It seems to me that might be losing some good business—not to run boats in there. Why is it the railway has not taken that step?—A. Well, it has been looked into, sir, and the Canadian National Railway came to the conclusion that the game was not worth the candle.

Mr. ROBINSON: One further question I neglected to ask before. Might it perhaps not be prudent for the railway to obtain more than two acres of freehold land in anticipation of the great development at Kitimat?

The WITNESS: You can take this as a statement of policy. We will reserve enough land in Kitimat to meet our present and future requirements as a railway. We will not own land for speculative industrial developments.

*By Mr. Pouliot:*

Q. Mr. Fairweather, if you permit me, you were in touch with the government of British Columbia with regard to timber products, etc. Did you get in touch with them in regard to the land required for the railways?—A. We have had negotiations with the provincial government.

Q. Yes, on account of the big development that is going to take place. Will you have to buy land or will it be given to you by the government of British Columbia?—A. That is a matter to be decided.