

is not in a much better position to be accepted by the house this year. The opposition last year came from all sections of the house just as did the support, in lesser degree. I have the greatest sympathy for the hon. member for Peace River and I desire to give some encouragement to him and to the hon. member for Cariboo (Mr. Fraser). I suggest therefore that the hon. gentleman accept the amendment on the understanding that it means exactly what it says; that when circumstances permit, which we trust will be in the very near future, every consideration will be given this project.

Mr. McINTOSH: Is the minister's conclusion with regard to the Peace River outlet the same as his conclusion with regard to all branch line facilities?

Mr. MANION: I have no desire to enter into a discussion of my hon. friend's project. If the hon. gentleman will ask me again on some suitable occasion, I will answer him. I do not think we should muddy the waters, so to speak, by drawing the Saskatchewan river into the Peace.

Mr. MACKENZIE (Vancouver): Peace at any price.

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, I think I should reply to one or two of the arguments which have been put forward and also indicate my position with regard to the amendment. During the course of the debate it was stated that we should forget all about wheat. I believe that the best type of railway is one near to agricultural, mining and lumbering activities.

Mr. FRASER (Cariboo): Was my hon. friend referring to me?

Mr. KENNEDY (Peace River): No, I think it was some other hon. member. I should like to remind the house that the Peace River district is likely to be producing wheat even at a time when great difficulty might face other wheat producing parts of the world. Herman Trelle won the prize at Chicago three years in succession. His exhibit was such that a special order was passed preventing him from exhibiting for a period of three years. He was classed as a super-crop man and was not permitted to exhibit for three years as other exhibitors were becoming discouraged when they were forced to exhibit against him. It would seem, therefore, that we will be producing wheat just as long as the world requires that commodity. But I realize how much stronger our case is when we produce

other commodities, and this argument applies more particularly to that section of British Columbia referred to by the hon. member for Cariboo. When the minister says that certain steps will be taken as soon as circumstances permit, I am not quite willing to accept that on the basis laid down by the engineers. In all their reports they make the point that until the present lines pay and leave enough over and above to make this outlet pay, the road will not be built. There never was a railway built in Canada on that basis and I do not think we should be asked to comply with such conditions, in order to justify our request for a railway, which never had to be complied by any pioneering settlement in any part of Canada. In 1927, notwithstanding the discouraging report of the engineers, the northern Alberta railways actually paid their operating expenses and had enough money left to pay their fixed charges of about \$800,000. Yet that was the year in which they brought down this report which said there was no hope, even with the freight rate of 39 cents—and it was on the 30 cent basis that this surplus was acquired—of the lines paying even operating expenses with the immediate traffic or with many times the immediate traffic.

Something was made of the statement by Mr. Brownlee, and I have this to say to the minister: I am not asking for a vote of \$13,000,000 or \$10,000,000 this year or next year, but there are at least 300 miles of line in that country that will be either part of the main line or branch lines and that will serve settlements now actually in existence. So there is no real conflict at all between the man who says we need branch lines and the man who says we should build the outlet. I do not think I need elaborate that point; in the one case, if you construct this 300 miles of road and take the Peace pass route, it will be part of the main line serving the settlements, but if any other line is built it will be a branch line that will be necessary in any event.

I am disposed, Mr. Speaker, to accept the amendment, always remembering that we can discuss the matter again, and also in view of the financial situation of the country, but I do submit that if we are going to undertake a program of public works in this country certainly we ought to consider whether or not some portion of that money should be spent in the development of a line that will be part of any Peace River outlet that is built. So, Mr. Speaker, while the motion and the amendment are in the hands of the house, I am disposed to accept the motion as amended if