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time, using the Maritime seaboard part time and hiring United States trade routes continuously is the pinnacle of national absurdity.

Canada cannot be developed in a manner that will enable it to compete successfully with other nations, the United States especially, for overseas trade, until Canada carries out its obligation in respect to the development of its continuous trade route, defined by London Resolution 66, and other Agreements that the Government and Parliament of Canada were established to carry out.

Why have those Agreements not been carried out by the governmental machine at Ottawa?

The betrayal of the Confederation and the sacrificing of the Maritime Provinces were planned when the Confederation was being arranged.

The plan of betrayal was outlined in an address in the Legislature of the country formerly named Canada in 1865 by Hon. Mr. Rose, representing Montreal Centre. That Montreal representative explained how, under the proposed Agreement, they would have control of the Federal Government: how they would secure the Intercolonial Railway for military protection and could say to the United States "if you do not give us the use of your railways at cheaper rates, we will use the Intercolonial": how they would secure control of the fisheries of the Maritime Provinces and could give them to the United States to induce the United States to give them a better arrangement; how they would be able to provide facilities on the St. Lawrence to take the overseas traffic of the Central States from New York and Boston and otherwise promote their own selfish interests.

History shows how that betrayal has been carried out. When the Federal governmental machine became established, it had two courses to pursue, one defined by the Confederation Agreements; the other defined by Hon. Mr. Rose, and the first Federal Government adopted the plan of betrayal proposed by Hon. Mr. Rose.

Sir A. T. Galt, who was the chief promoter of the Union in Old Canada, became the first Finance Minister of the Confederation, but he would not agree with Sir John MacDonald and resigned from the Cabinet about three months after the Union, and Hon. Mr. Rose was made Finance Minister.

Hon. Mr. (later Sir John) Rose carried on the negotiations with the United States to effect his plan of betrayal and, in 1871, the Treaty of Washington was agreed to.

That Treaty, among other things, gives Canada certain transportation privileges in the United States, subject to two years' notice of cancellation; it gives the United States free use of the St. Lawrence on equal terms with British Americans for all time, and gave the United States the fishing privileges of the Maritime Provinces as recently referred to in this House by an Honorable Member for Gloucester.

The Junior Member for Saint John County drew the attention of this House to the fact that the Federal Government was furnishing ice-breakers on the St. Lawrence to hasten the time when the trade, now using the port of Saint John, would be transferred to Montreal.

May I say, Mr. Speaker, in my opinion, that is an unjustified expenditure by the Federal Government and is simply one of the many injustices which the people of New Brunswick suffer as a result of the adoption of the plan of betrayal outlined by Hon. Mr. Rose in 1865.

I submit that every expenditure by the Federal Government to make the St. Lawrence an overseas trade route is a direct violation of the basic condition under which this Province agreed to confederate with Ontario and Quebec.

Even though there is no such Agreement between Scotland and England respecting a trade route,

one can imagine what would happen if the Imperial Parliament provided part time and artificial conditions to take trade from, say Glasgow and give it to, say, London.

Canada is the only nation in the world's history that has unnecessarily placed itself at the mercy of a foreign nation for the handling of its overseas trade.

As part of the results of the tragedy resulting from the adoption of the Rose plan of betrayal, this Confederation has paid the United States thousands of millions of dollars for transportation more than it has received from the United States for like services.

It has contributed thousands of millions of dollars to the United States through the New York Stock Exchange, which would largely have remained in Canada or in the Empire if the trade route agreement had been carried out with Canada's Stock Exchange connected with the London Stock Exchange. The balance of trade with the United States against Canada since it was created, is enormous.

Canada is now at the mercy of the United States in settling its international exchange transactions; Canada also guarantees the operation of railways, port terminals, and coal mines in the United States, which, I submit, is beyond the authority vested in the Government and Parliament of Canada; and generally this Confederation is as much, or more, an appendage of the United States and at the mercy of the United States as the country formerly named Canada was when she sent her delegates to this Province begging for assistance to relieve her from being an appendage of the United States.

Please do not be fooled by the propaganda about the low cost of operating the St. Lawrence trade route.

There is no doubt that the actual cost of haul from the Prairie Provinces, via the National Transcontinental trade route, operating continuously through Saint John, would be less than half the cost via the Lakes and St. Lawrence.

If the National Transcontinental received the amount that the Federal Government spends on the Lakes and St. Lawrence, it could no doubt haul the Atlantic Export grain trade of the Prairies to our seaboard free of charge.

If the development which has been artificially promoted at Montreal had been fairly distributed between Montreal, Halifax and Saint John, the national benefit which would have accrued from such distribution would be enormous.

If the international banking institutions and other offices transacting Canada's overseas business at New York were located at the seaboard of the Maritime Provinces the national benefit accruing therefrom would be substantial. Montreal functions large as an outpost of New York in this respect.

With transatlantic aerial navigation in the offing key establishments should be on the Maritime seaboard. Otherwise New York will come Canada's chief aerial port as it is now Canada's chief seaport.

I shall not take the time of the House to explain, in detail, all the tragic events and transactions of what I believe is the greatest governmental blunder and tragedy in the history of the Empire.

There is the loss of the great Maritime Provinces shipping industry that was placed in exclusive charge of the Federal Government to insure that it would be protected and promoted. With Ontario not interested in shipping, that great industry was lost by the Federal Government. As the Maritime shipping industry went down, the shipping industry of the Scandinavian countries went up and, at the present time, Norway, not so advantageously placed as the Maritimes for building and operating ships, has more registered tonnage, per capita, than any country in the world.

There is the neglect of the great fishing industry of the

Maritime Provinces, which was also placed in exclusive charge of the Federal Government to insure that it would be protected and promoted. But Montreal and Ontario seem to prefer buying fish from Newfoundland, free of duty, and from the United States, and, evidently, dominating interests in Montreal and Ontario prefer to promote the welfare of the United States rather than promote the welfare of the Maritime Provinces.

There is the breaking down of the original arrangement to have the British Columbia Railway connect with the Intercolonial at Quebec and thus establish a continuous trade route from the Atlantic to the Pacific owned and operated by the Federal Government: That was done to make Montreal the eastern terminus of the Canadian Pacific Railway and to make multi-millionaires so-called, in Montreal, especially, without regard for Confederation obligations and the future welfare of Canada as a whole.

A straight line from Sydney, Nova Scotia, to British Columbia, touches ever self-governing country connected with Canada.

It is that peculiar geographical lay-out which does not exist under any other governmental arrangement in the world that caused this Legislature in 1866 to attach so much importance to the construction and operation of an Intercolonial or inter-Provincial Railway by the proposed Federal Government as a governmental service.

That is why this Legislature and our political leaders agreed to vest certain powers in the Government and Parliament of Canada to enable them to overcome the unnatural conditions which confront this Union.

There is nothing in geography, natural conditions or the character of the people to justify a Union of this Province with Ontario and Quebec. Such obstacles can be overcome only by the proper functioning of the governmental machine at Ottawa.

Political leaders knew in 1866 and it should be more apparent now that it is not humanly possible to operate an inter-Provincial Railway as a commercial enterprise for private gain and at the same time justly regulate or insure a just exchange of commodities or trade between the countries connected with Canada. If such trade is not fairly regulated the Confederation fails to accomplish one of its chief objects.

The first national freight rate structure established by the Federal Government provided freight rates which made it possible for our importers and shippers to compete in Ontario markets with Montreal importers and shippers. That is why plants were established at the Maritime Provinces seaboard for the manufacturing of tropical and semi-tropical raw materials.

There is no country in the world more favorably situated and with greater natural advantages for the manufacturing of such raw materials than New Brunswick; and more such plants would be established in this Province if they were not prevented by unjust Federal regulations.

In 1876 the Montreal Board of Trade protested against the established freight rates on the ground that they unjustly discriminated against Montreal and certain advances were made in the freight rates against the Maritimes at that time.

Following that there were steady freight advances against the Maritimes, especially after the Canadian Pacific Railway came into New Brunswick, until the period 1912 to 1918 when such vicious advances were made that they almost caused a revolution and threatened the existence of the Confederation. In 1926 the Duncan Commission was appointed to investigate this and other injustices and we received a palliative in respect of freight rates which since has been largely wiped out by the manipulation of freight rates for the benefit of the Central Provinces.

When we compare the original

with the present abortion claimed to be a national freight rate structure we see how far awry, nationally, are the ideas of those who are responsible for the present structure compared with the knowledge of this subject possessed by the founders of Canada.

There are three important railways owned outright by the Federal Government: The Intercolonial, the Prince Edward Island and the National Transcontinental from Moncton to Winnipeg.

The other important railways and enterprises operated by the so-called Canadian National Railways in Canada and the United States (there are about one hundred of them) are not literally government-owned. They are guaranteed by the Federal Government and, of course, the people are responsible for any loss in their operation.

There is so much private capital invested in these enterprises on which interest must be paid that they cannot earn sufficient to pay their interest obligations.

Thus those enterprises are being operated from Montreal for private gain and there have been imposed upon this Confederation transportation conditions which make it humanly impossible to justly regulate trade between the countries connected with Canada.

With those facts before us we can readily see why the great transportation enterprises on which New Brunswick is largely dependent for its economic development are indirectly working against the economic development of this Province and for the financial gain of alien enterprises and to promote welfare in other Provinces and in the United States.

Thus we readily see, also, why the Intercolonial Railway must be operated by the Federal Government with its management at Moncton, authorized and instructed to promote the regulation of trade, if the industries and trade of this Province are not to be obliterated.

Slighting reference was made recently in this House by the Hon. Leader of the Opposition to the National Transcontinental Railway.

That railway was constructed to promote the carrying out of the Confederation transportation agreement and to keep faith with the people of the Maritime Provinces in this respect.

The split he referred to in the Liberal party over that railway was not caused by the fact that it was to be constructed but because it was to be operated by a private company.

Hon. Mr. Blair claimed that if that railway was to be constructed it should be constructed by and operated by the Federal Government as an extension of the Intercolonial service railway and it is generally admitted now that Hon. Mr. Blair was right.

When the National Transcontinental Railway was nearing completion and money was voted for the construction of a large dry dock at Saint John it was felt that the future prosperity of this Province was assured and money poured into Saint John from London, England, to Vancouver to buy real estate and there was a great real estate boom which collapsed, however, immediately after the Borden Government came into power.

I understand the Borden party was elected pledged to prevent the development of the National Transcontinental trade route and after coming into power so determined were they to prevent the use of that trade route that for a time no rates were quoted for the shipment of export grain via the National Transcontinental.

It was not the proposed reciprocity agreement with the United States that defeated the Laurier party in 1911. It was the fact that Laurier's party was opposed to the international transportation arrangements which dates back to 1863 and which was promoted by the Rose plan of betrayal.

The changing of the original plan to bring the National Transcontinental into Saint John, the construction of the Valley Railway terminating at Centreville, the McGivney

Junction curve which prevents the long Transcontinental trains coming through Fredericton, are all transactions connected with the determination to prevent the operation of the National Transcontinental trade route.

Under the National Transcontinental legislation both the National Transcontinental Railway and Intercolonial Railway are obliged to provide steamers at the Maritime seaboard to handle any export traffic routed by those railways.

For instance, if the shippers of the Prairie Provinces route their overseas export traffic via the National Transcontinental and the port of Saint John, those railways are legally obliged to provide steamers to carry such traffic overseas and the Confederation agreement obligates the Federal Government to establish freight rates which will enable that all-British Maritime Province trade route to compete successfully with any other Atlantic trade route, summer and winter.

There are also the tragic results from permitting privately owned company colonization of the North West Territories. The futile attempt to establish a trade route via Hudson Bay and the subsidization of Ontario canals for part-time operation to take trade from the railways that must operate continuously.

The bringing of the Canadian Pacific Railway into New Brunswick over United States rails, thus introducing a privately-owned railway, legally entitled to earn a fair return for its services, to compete with a government-owned service railway that was never intended to be operated as a commercial enterprise, with disastrous results to the trade of this Province.

The transferring of the management of the Intercolonial Railway to the Canadian National Railway Company operated from Montreal and with greater interests in the United States than in the Maritime Provinces. This, I submit, is also beyond the authority vested in the Government and Parliament of Canada.

The placing of the Intercolonial Railway under the Board of Railway Commissioners, thus preventing Maritime Provinces' importers and shippers getting freight rates which are their federal right, with disastrous results to the industries and import trade of the Maritimes.

The breaking down of the overseas connections of New Brunswick to compel her to import and export through Montreal during the summer, thus destroying the geographical advantage of this Province for import and export trade.

The establishment of the so-called national freight structure based on Montreal instead of on the Maritime seaboard, which, from a national viewpoint, is ridiculous.

The failure of the governmental machine at Ottawa to fairly perform its constitutional duty to effect the regulation of trade and commerce between the Provinces connected with Canada, thus not only preventing the just economic assimilation of the Maritimes with the other Provinces but also promoting the development of many secondary industries in Montreal and Ontario upon an artificial foundation which some day may disappear; and other tragic events and transactions to which I need not refer.

Practically all of the tragedies that I have referred to are national and some of Imperial nature and practically all result from the adoption of the plan of betrayal proposed by the representative of Montreal Centre in 1865.

With war clouds hanging over the world, Canada's transportation experience before the United States entered the late war, should be sufficient to arouse the Government and Parliament of Canada to the danger of the present international transportation arrangement.

With the exception of Nova Scotia and Prince Edward Island this Province, because of the unjust handicaps imposed upon her by successive Federal Govern-

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