

formation regarding that, because I do not believe any of you know much about it. It is thought to be a speculative trade. It is believed that a man makes money in it because he plunges—that he makes his fortune by buying up long on grain and selling it. Nothing of the kind. If the business is properly conducted there is not a line of trade in the country to-day in which there is less speculation.

Hon. Mr. McMEANS: What does the honourable gentleman mean by "properly conducted"?

Hon. Mr. RICHARDSON: If the man who buys grain can sell it on future, it is his right to do so. If I have a line of elevators, say 75 elevators, in the Northwest—as I have—these elevators are buying at the proper season 1,000, 2,000, 3,000 or 4,000 bushels of grain each per day. A report comes in by wire in the evening, and next morning my man goes into the pit, on the floor of the exchange, and he sells next month's delivery against that grain. It has been bought and sold and is shipped so that it will arrive at the terminal elevator to protect the sale, and the profit of the elevator handler is legitimate. Or if I am shipping grain to Europe my man goes into the pit of the exchange and buys openly; if I sell the grain in February I buy it for May. The grain is shipped from some country elevator, and the storage must be paid for. That is straight business—there is no speculation about it, and if it is done properly there is no more legitimate business on the face of the earth.

Hon. Mr. DOMVILLE: Cannot the shippers route the grain from the west in any direction they like? There is no law to compel them to send it to a particular port.

Hon. Mr. RICHARDSON: No, there is not. Grain is like water; it flows in the easiest channel.

Hon. Mr. DOMVILLE: The proper channel along which to send it is the cheapest.

Hon. Mr. RICHARDSON: The grain in the Northwest is brought into country elevators. That grain is shipped out to terminal elevators, which are at Fort William and Port Arthur. It is held there under Government inspection and supervision, both inward and outward. From there the grain is moved, almost entirely by water. It is shipped to the seaboard by the cheapest route, whatever route that may be. Sometime the St. Lawrence is the cheapest, and sometimes the cheapest route is via Buffalo

and American railroads. It depends very largely upon the quantity of grain and the quantity of ore and things of that kind, shipped by the lake. It is entirely a matter of freight.

However, I digressed from what I was saying. Buffalo is the natural port for winter distribution, because late in the fall of the year the ore docks on lake Superior and lake Michigan freeze up. The ore is all crushed and finely ground, and when the weather gets cold about the middle of November, the steamers carrying ore have to discontinue those shipments.

Hon. Mr. DOMVILLE: Iron ore is it?

Hon. Mr. RICHARDSON: Iron ore. Then they will take a cargo to Buffalo, and if the weather is favourable they will return to Fort William and load another cargo, of grain, and hold it free of storage. The grain is carried in the steamers all winter, if the owner of the grain so desires, and there are storage charges on it, but only a small insurance charge. When the owner of that grain sells it for shipment abroad he orders the steamer to go to the elevator. Then it is put on the cars, and four days afterwards it goes aboard the steamship in the port of New York.

Now, you can see the immense amount of American tonnage that becomes available late in November. That must be used, and we are at present practically the only shippers of grain, for the American Northwest does not ship much grain now. They do ship some oats and corn but very little wheat, except in the months of August and September. After that they require all their wheat for themselves. So the grain from Canada goes by way of Buffalo, and the American railroad gets the haul to the port of New York, and New York gets the distributing charges. Incidentally, the New York brokers and New York grain men are helped by this flow of Canadian shipments to their ports.

Hon. Mr. DOMVILLE: About eighty per cent of the grain goes to the States, does it not?

Hon. Mr. RICHARDSON: Last year we shipped more grain by the Canadian route than by Buffalo. We shipped by water to Canadian ports 80,687,000 bushels of wheat, and by water to American ports 81,000,000 bushels of wheat—practically the same quantity—a difference of only 500,000 bushels. But we shipped by rail in Canada 10,670,000 bushels of wheat. So we shipped