

a service once a month, but the rates of freight that they have obtained would leave them a sufficiently large profit to operate the steamer without that subsidy at all. The disadvantage of that subsidy is this, that the Elder-Dempster line—I am not speaking of any particular line—has advantage of \$100,000 against any competitor, and the result is that no other line will compete for South African service; but if the subsidy was withdrawn you would have half a dozen lines competing for the service if it was worth competing for. It has been operating for twenty years, and because it has a subsidy everybody will avoid the service. The same thing applies to Australia; you gave a subsidy of \$240,000 a year, I think. The service to France has never been any good either east or west; the boat simply goes to Havre, reports to the Custom House, comes out, and takes the balance of her cargo to London. That service has never been of any advantage to Canada or to France. There is not sufficient cargo available, either east or west, but for sentimental purposes you have spent \$200,000 for the subsidy, if you offered a cargo to those steamers for Havre they would refuse it and take it to London instead; but the advantage to the line is that it has that amount of money provided for the cargo service, and of course there is no competition.

By Hon. Mr. Willoughby:

Q. Would you have this service to the West Indies by the Elder-Dempster line if you had not the subsidy? Would the trade warrant it?—A. Yes, now that the trade is established. At the early stages the correct way would be to give them \$100,000 and say, "You will have to take \$90,000 next year, and \$80,000 the next year," and so the subsidy would gradually eliminate itself. After the service had made good they could run on their own rates without spending this \$100,000 on those steamers. During the war, and even to-day, I believe if the subsidy was withdrawn you would have three lines competing for that business, because they would all be on even terms, and it would be a case of the survival of the fittest.

By the Chairman:

Q. Is there enough business to justify it?—A. In South Africa there is, for a service about once a month, and Australia about the same. I don't say they were not justified, but the continuation of a subsidy prevents open competition.

By the Hon. Mr. Webster:

Q. Getting back to the grain traffic, is it safe to say that practically the same class of cargoes are available at Canadian ports as at American ports, provided they are solicited and put at one of our sea ports?—A. Yes.

Q. There should not be any difficulty in getting cargoes of the same class of goods as are exported?—A. The conditions of trade do not alter at all; there is exactly the same condition of trade to-day as there was 25 years ago. If you go out you get your business; if you sit in your office you cannot get it.

By Hon. Mr. Thompson:

Q. Could you get your rate?—A. You have to have the conditions. All I ask for is to get the preference on even terms; if my customer can get a share of grain from somebody else I could not ask him. You can go into Minneapolis or Milwaukee or Chicago, and if you can show them that they can save a shilling or a few cents a ton, the cargo will come your way, and if it is not cheaper it won't come your way.

By Hon. Mr. Bennett:

Q. Speaking in round figures, 56,000,000 bushels were shipped from Fort William and Port Arthur to Canadian ports last year, and 58,000,000 to American ports; of that 56,000,000, about 15,000,000 went to Port Colborne, the rest went to Georgian Bay ports; now, the Canadian Northern formerly carried about 35 per cent of all the grain in the Northwest to the head of the lakes; after that it was free to go where