

up a little bit or put it down, according to supply and demand. But on grain business, that is an open market commodity; everybody competes, and the man that can get the lowest rate of freight naturally gets the business. That applies not only to Canada but to the United States in competition with us. Consequently it is a question of getting vessels to our ports in competition with other ports. Now, as a rule, during the open season of navigation Montreal has distinctly the preference of the seaports; the principal reason is that our route is a cool route, and they will not send the grain down to New York, or Baltimore or Philadelphia in the summer time if it can be avoided; so that we have the preference, on even terms, throughout the season of navigation in Canada. But our rate of freight must be as low if not lower than our competitors. If we can get the rate of freight, that is, threepence per quarter, less than New York cargoes would flow to Montreal in large quantities; if we are a threepence a quarter more than New York we don't get any at all. It goes by the cheapest route. During the season of navigation, say up to the last four or five years the inland rates on freight were based upon the cost of transportation from Fort William to Montreal by inland lake carriers, because they could afford to carry the grain cheaper to the seaboard than the railroads could. Consequently if the railroads wanted that business they had to make a rate as cheap as the water carrier. Now if you go back before the war and take the rate of freight from Fort William to Montreal, it was about five cents a bushel. I have known it to be carried as low as two and three-quarter cents a bushel from Fort William into Montreal.

HON. MR. BENNETT: By water?

MR. HARLING: By water; but if you take five cents you take the normal rate. Now, that is the rate of freight that has to be added by the exporter in competition with other ports. Naturally, when we had that low rate of freight on the lake, five cents a bushel, it was impossible for any shipper to ship his grain via Buffalo or via New York, because the rate to Buffalo by the large steamer and the rate from Buffalo to New York was invariably higher.

HON. MR. BENNETT: What sized boats came through to Montreal from the head of the lake?

MR. HARLING: They are now up to 2,000-tons dead-weight.

HON. MR. BENNETT: Give that in bushels?

MR. HARLING: Say 80,000 bushels.

HON. MR. NICHOLLS: I thought you said the grain went right through to Montreal.

MR. HARLING: There are two types of vessels on the lakes. The large-sized vessel can go to Port Colborne or to Buffalo; the smaller vessels carrying 2,000 tons only about 80,000 bushels—come through to Montreal.

HON. MR. BENNETT: The 80,000 are the ones complete without breaking bulk?

MR. HARLING: Complete without breaking bulk. Naturally the boat that goes to Buffalo is a very much larger boat, and consequently can be operated at very much less cost than the smaller boats; but the smaller boats coming to Montreal were only limited in capacity; we could only get a certain number of those boats carrying 2,000 tons, because it takes them 21 days to make the round trip, and there was only a limited number of trips they could make, and that was the limited amount of cargo that that type of vessel could carry. The larger lake steamers are not generally owned in Canada, but in the United States, and are not always available for the export handling of grain, because those large steamers, most of them, are and were controlled by the American Steel Companies, and they only come into our grain business when they have not got ore or coal to carry.