

Mr. PRICE.—Very largely so. The clause as we have it in the new Bill was drafted and considered by the Board. Really it is the Board's clause.

Mr. MACLEAN, M.P.—It is open to counsel to persuade the Board that they have jurisdiction.

Mr. LAWRENCE HENDERSON.—We have had very short notice in which to discuss this matter. I think it was on Saturday morning that I got word from Mr. King that we were to come here today and I called a meeting of our executive which we held this morning. The members are here present and the consensus of opinion at that meeting was that it would be a great mistake to place the free water-borne traffic under the Commission, or to put any restriction on it whatever.

We have to recognize that the steamboat companies are not enjoying franchises similar to those of a railway. The water route is free and open to all comers. A man may buy a boat any day and go into the water-borne business, and to put restrictions on the freight would be a very great mistake, not only from the viewpoint of the vessel owner, but from the viewpoint of the shipper. We all know that during the open season of navigation, which unfortunately is only about seven months in this country, that the boat lines control freight rates, or make freight rates, and if these things were fixed by a commission, and tariffs had to be issued which could not be reduced or altered without giving perhaps a month, perhaps a week or perhaps even a day's notice, it would seriously interfere with our business, not only with the shipper's business but with the carrier's business. I can speak more fully with regard to the bulk freighter than with regard to the package freighter, or lines that have been carrying an accumulation of small parcels of freight. Take the grain for instance, we have to change our rates sometimes two or three times a day. We have to meet the shipper. Perhaps sometimes I have to solicit a cargo. Sometimes I am solicited for my tonnage, but invariably I do not make the rate of freight. The shipper makes that. I may indicate a rate. I may say 'I want 5 cents a bushel on grain from Fort William to Montreal,' but the shipper starts immediately to figure up his cost. He may, right off the reel, say 'All right, I will give you 5 cents.' On the other hand he may figure up what his grain is costing him at Fort William, what it costs to put it on board, what his freight is, and his charges in Montreal and general charges, and compare it with the bid from the foreign buyer, and he may say 'I cannot do business at 5 cents I will pay four and seven-eighths' and we will take that rather than let the business go by, because once it goes by it does not come back. We Canadian vessel owners are catering to the Canadian grain trade. We are carrying commodities from the head of the lakes to Montreal through Canadian routes, and if we let the business go by, it is not going to come back to us at a higher rate, but it is going by Buffalo and ship out from Philadelphia or Boston, or some other United States Atlantic port; so that we require to have a flexible rate.

Mr. BRISTOL, M.P.—What causes the competition? Is it the rate through the Erie Canal?

Mr. HENDERSON.—I think the principal factor from Buffalo is the railroad not the canal. I think the canal is a controlling factor to some extent but it is really the railway rate we have to contend with. It might be a good thing for the boats to have a fixed rate for freight. I believe if we could get the same rates of freight that are allowed the railroad by the Railway Commission that we could make more money perhaps than we are doing to-day. But I find that in order to do business we have to have our rate going up and down. We are carrying wheat to-day from Fort William to Montreal at four and a half cents a bushel. Just at this time last year we were getting 7 cents a bushel. We are not carrying at four and a half because we want to, we would like seven, but market conditions won't permit it, and we have to come down to what the market will allow us. If we had a rate of freight at 5 cents fixed to-day we could not do any business and the freight would be going out of