

Hon. Mr. BENNETT: So that the rates of the two vessels will practically be the same on wheat, or any other kind of grain?

Mr. HARLING: As a rule the rate on the tramp steamer has to be a shade less, because the insurance is greater on the tramp steamer than on the other. The tramp steamer is in favour especially because it ships in parcel lots, and of course the shipper pays the ship more. That steamer can come into Montreal and take a cargo, and in one day can go away, while the regular line steamers take five or six days.

Hon. Mr. BENNETT: What return cargo would they have?

Mr. HARLING: As a rule they have no return cargo. They come out light, as a rule, to American ports as well as to Canadian ports. That single cargo one way is the whole of their revenue.

Hon. Mr. BENNETT: Can they compete with vessels that will be leaving New York or any American port loaded with grain one way and perhaps coming back with a cargo to American ports?

Mr. HARLING: Of course the vessels are not as costly to begin with, and naturally they can run at a less cost per ton, while the regular line steamer is more expensive.

Hon. Mr. BENNETT: What is the respective advantage of a boat trading from England to a United States port, for return cargoes, as against one going from New York, of the tramp class?

Mr. HARLING: I say that we have got to pay an extra rate on freight to come to Canada at any of our Canadian ports. The disadvantages are what I have stated before—the extra insurance, and the extra risk of the St. Lawrence. But it is not a question of choice; the owner has not got the choice. For instance, to-day there is such competition that the question is not whether the vessel can afford to run or not afford to run; the owner has got to get the best rate he can in any part of the world for tramp steamers, and there are hundreds and thousands of them available. If they cannot get enough to pay expenses they are laid up; and they are laid up by hundreds now in the American and English ports, because they cannot pay. How can you compete with a vessel costing \$200 a ton against another that cost \$50 a ton? Naturally the man that is running the vessel costing \$50 a ton can compete and take a lower rate than the man with the expensive vessel. That is the problem we have to settle. There are lots of ships running now and making money because the valuations have been written down, and they are going to succeed where the other man failed.

Hon. Mr. WEBSTER: It is also true, isn't it, that the liners have the advantage of a subsidy? When you are making comparisons between liners taking grain at a low freight and running on a regular schedule of service, even if they do take it lower there is the subsidy or something else to fall back upon?

Mr. HARLING: The subsidy given by the Canadian Government to the lines of steamers are a disadvantage rather than an advantage, absolutely. The money spent in Canada during the last 25 years in subsidizing steamers was simply money thrown away. The idea of subsidizing a steamer or a service was in order to given enough to open the service and develop the trade; but after the trade is developed there is no use continuing that subsidy. I have had this question up a dozen times with Sir George Foster and other Ministers. You pay a line of steamers \$200,000 a year to operate a line, say, to the West Indies. Now, I know for a fact that those steamers that we run to the West Indies and give \$200,000 to could have been bought for \$100,000 a piece—those three steamers that were put into the trade in the West Indies, and they were no good; they were obsolete steamers, and the operating expenses of those steamers have been paid by the Canadian Government ever since. They have got the benefit of a service, such as it is, to the West Indies. The service to South Africa, by Elder-Dempster, was paid something like \$120,000 a year; they maintain