

trous to the country. Senator Bennett, in a recent speech in Parliament, stated that the use of the lake route had been very injurious to Canadian interests, and that 80 per cent of the export grain trade of the central provinces is being sent to New York. The Government statistics seem to confirm this unexpected and alarming result of our having built three transcontinental railways, at enormous expense to the country. Not only are our seaports deprived of the benefit of handling this trade, and the western farmer disappointed in not obtaining reduced freight rates on his grain, but it may be safely asserted that, during the last eight years, Canada has paid over fifty million dollars of freight money to United States railways and United States lake vessels that would have been expended in wages and supplies in our own country, if this grain had been carried all rail through northern Canada to Canadian seaports. Is it not possible that this disastrous result may have had something to do with our dollar being worth only 85 cents to-day?

If the recommendations made by our Board of Trade to the Government in 1913, to build 30 million bushels of storage at our seaports, and to make a low rate of freight upon export wheat over the Government railways, had been adopted, is it not likely that the result would have been far different, and that Canadian seaports would to-day be enjoying the benefits of a continuous flow of grain to their elevators, just as is the case in the Baltic, where the Russian and Polish railways carry a continuous stream of wheat to the ports of Riga, Memel and Dantzic, where it is stored even in winter until the steamships come to take it away?

The inducements to ship via New York are the bountiful supply of ocean tonnage and the fact that marine insurance rates from Canadian seaports are higher than from New York, and increase in the autumn and winter.

The Government have recognized that in taking over the Transcontinental and Grand Trunk Pacific railways, they have inherited the contract obligations of the latter company to have always at Canadian seaports a plentiful supply of ocean tonnage. So they have built a fleet of sixty or more ocean steamers to facilitate Canadian trade. But, unfortunately, these steamers, instead of being run from Quebec, the only seaport reached by the Transcontinental Railway over its own rails, are berthed at Montreal, where they are no doubt doing excellent service to the Canadian Pacific and Grand Trunk, in handling their export traffic, but it is doubtful whether much of their cargo comes over the Government railways, whose traffic they were built to promote. If they offered a lower rate of ocean freight from Quebec than New York offers, Canada would get the business, and that was manifestly the intention of the agreement between the Government and the Grand Trunk in 1903.

The obstacle of excessive marine insurance remains to be overcome. It should not exist. It is a relic of the days of sailing vessels, when ships were caught in floating ice, which forms no obstacle to steamers, and when the St. Lawrence and maritime ports had not been made safe to navigation, as they are to-day, owing to the generous expenditure of the Government of Canada in dredging, in lighthouses and in ice-breakers, docks, etc. The marine insurance rates from Quebec are 10 per cent cheaper than from Montreal, and St. John and Halifax enjoy even better rates. But they are still excessive, compared with New York, and the Quebec Board of Trade have urged the Government of Canada to take up this question with energy, and, by guarantee to the underwriters, or otherwise, have the rates to and from all eastern Canadian seaports made the same as those of New York. We feel confident that the Government would not lose any money in doing so, and it would turn the trade to our ports. Our position in this matter has been unanimously endorsed by the recent convention at Toronto of the Chambers of Commerce of the British Empire.

It is contended by some of the railways that a serious objection to the hauling of wheat, all rail, from Manitoba to Quebec, is the excessive number of cars that would have to be employed, three-fourths of which would have to be hauled back