

to the particular work he had in hand, makes a report entirely outside his professional sphere, my hon. friend exclaims, "This is just what I want! True, this man is not an expert along the line he is now reporting on, but his report suits me, and I ignore the report made by Mr. Henry, whose special line of work is to analyze these particular matters." The interruption which so angered my hon. friend I made only in justice to Mr. McLachlan. Following my hon. friend's remarks, he passed from Mr. McLachlan's statements to those made by some engineer, whom he did not name, and back again to Mr. McLachlan, and I only wanted to make sure in justice to Mr. McLachlan—for whom I have a high regard—that my hon. friend was not attributing to him statements made by the anonymous engineer. That was all. There was no need for my hon. friend to be angered or to impute to me discourtesy. I had no such intention. It is now clear, however, that my hon. friend did not attribute to Mr. McLachlan statements with regard to the construction and the condition of the railroad other than those which he read from Mr. McLachlan's own reports.

That is all I have to say. I know other members desire to speak on this subject. I merely want to put on Hansard the report of Mr. Henry.

(Following are Mr. R. A. C. Henry's letter and report referred to by Mr. Dunning):

Department of Railways and Canals
Room 306, Continental Life Building,
Toronto, Ont., March 14, 1918.

W. A. BOWDEN, Esq., Chief Engineer,
Department of Railways and Canals, Ottawa, Ont.

Dear Sir,—I am enclosing herewith, in duplicate, memorandum prepared in connection with the Hudson Bay railway and Port Nelson route which may be of assistance to you.

You will notice that I have indicated or rather I have estimated the minimum tonnage to be handled over the railroad to meet not only ordinary operating expenses but also fixed charges. I also assumed that all that this route would be required to do would be to land wheat or grain in Liverpool at the same total transportation cost as obtained via the Georgian Bay-Montreal route.

I am also returning Mr. McLachlan's memorandum which you handed to me for comment.

Yours truly,

(Sgd.) R. A. C. HENRY.

Department of Railways and Canals, Canada
W. A. BOWDEN,
Chief Engineer.

Office of the Chief Engineer,
Ottawa, Ont., March 14, 1918.

Memo. for Mr. Bowden Re Hudson Bay Route

An analysis of the traffic possibilities of the Hudson Bay route on a pre-war basis appears to indicate as follows:

1. That about 5,000,000 bushels of wheat or wheat equivalent in other grain must be handled to meet operating expenses.

2. That about 10,000,000 bushels of wheat or wheat equivalent in other grain must be handled to meet operating expenses and pay 3 per cent on estimated cost of the development now under construction.

3. That there is sufficient grain now grown in the territory tributary to the Hudson Bay railway to warrant the belief that with equivalent rates to Liverpool the quantity of grain last mentioned would go via the Hudson Bay route.

4. That there could be developed a sufficient inbound tonnage from Europe to place Port Nelson on the same footing with respect to the load factor as say Montreal.

5. That the possibilities of the safe navigation of this route have not yet been sufficiently demonstrated to warrant any private company undertaking the placing of a sufficient number of vessels in this service to carry the quantities of grain above-mentioned without assistance from the government is certain. Hence it seems evident that the government must purchase or charter sufficient vessels to handle this traffic and operate the route until such time as its commercial feasibility has been demonstrated.

These vessels, if chartered, could be chartered only for the period of navigation and, if purchased, could be used during the period of closed navigation on the Hudson Bay route, for traffic between the Atlantic and Pacific or distributed on several trade routes.

6. That it would be necessary by some means to hold sufficient grain over from one year's crop to provide cargoes for vessels arriving before the new crop was ready to move.

It has been suggested that the season of navigation on the Hudson Bay route is so short that the cost of doing every item of work in the handling and transporting of merchandise is going to be so great that the route is not going to be able to compete with the lake route to Georgian bay and rail to Montreal, and that the necessity of creating an organization for such a short period is a very serious factor.

That the season of navigation from Hudson bay is limited to two and one-half months there does not now appear to be much doubt. It is and must be frankly admitted that such a condition would be expected to involve a larger expenditure per unit of traffic than would be the case if navigation were possible during the whole year and the load factor favourable and constant. Unfortunately, however, the load factor in the Canadian internal freight traffic is neither favourable nor reasonably constant. For example, an examination of the shipping records on the Great Lakes will disclose the fact that on the average since 1909, over 40 per cent of total quantity of wheat, in fact of all grain, passing through Fort William and Port Arthur eastbound goes forward in two months, namely, in October and November immediately following the harvesting of the crop. The peak load in the grain traffic east is from two to three times the average load, so that during this period from two to three times the average number of cars, train employees, elevator employees, and lake vessels, which would be required to handle this traffic if it flowed uniformly throughout the season of navigation, must be diverted from other channels or called into action from idleness. Conditions on the Hudson Bay route would vary from those obtaining on the lake route only in degree and probably not to as great an extent as might at first thought be supposed, especially now that the government controls the Canadian Northern system with its many branches into the heart of the grain belt. The difficulty of bringing a separate organization into exist-