

The effect was instantaneous. Quite a number of steamers were loaded in Quebec, that year, with Manitoba wheat, and it looked as if the promises to send us the grain trade over this new railway were about to be redeemed.

But although the new Minister of Railways, Dr. Reid, declared in Parliament, at the time, that the six cent rate had been profitable to the railway—a statement which he somewhat qualified last year—the special rate was cancelled and raised to an impossible figure, and not a bushel of grain has come over the Transcontinental for export since 1916.

The recommendations of the Board of Trade to the Government to put storage for 30 million bushels at Quebec, Halifax and St. John were not acted upon. But increased storage; on a very great scale, was built in the central provinces and at the head of the great lakes. So that there is now storage for 200 million bushels at these points, and for less than 20 millions at Canadian seaports.

The consequence has been, as might have been expected because 200 will not go into 20, that as soon as the grain began to move it had to find another outlet, and the surplus, after filling the Georgian Bay elevators, went to New York and Portland for export, as will be seen from the following figures, taken from Government reports, showing the destination of all grain shipped by water from Fort William during six years:—

## GRAIN OF ALL KINDS

Crop Year	To Canadian Lake Ports	To United States Lake Ports	Total
	Bushels	Bushels	
1912-13.. . . . .	96,175,742	55,438,492	151,615,234
1913-14.. . . . .	94,525,881	93,447,490	187,973,371
1914-15.. . . . .	73,226,138	27,848,221	101,074,359
1915-16.. . . . .	127,975,297	192,588,364	330,563,661
1916-17.. . . . .	97,171,121	102,258,527	199,429,648
1917-18.. . . . .	78,814,408	47,181,655	125,996,063
Total.. . . . .	577,888,581	518,762,749	1,096,651,336

So that during these six years, 577 million bushels went to Canadian lake ports, and 518 million bushels went to Buffalo for export via New York. But it must not be supposed that the 577 million bushels sent to the Georgian Bay and Port Colborne elevators were for export at Canadian seaports. On the contrary, as you are of course aware, probably two-thirds of that quantity went to Canadian flour mills to feed our own people, and as these elevators are almost as conveniently situated for shipment to New York and Portland as Buffalo is, a great deal of the remainder must have gone by rail to U.S. seaports, a small quantity to Montreal and St. John for export, and a good deal used for seed grain in Ontario and Quebec.

The crops of 1918 and 1919 were small, so that after sending to Canadian lake ports what was wanted for consumption in Canada, there was not much left for export via Buffalo.

In 1920, we have had a good crop, and the Prairie Provinces seem to have a large surplus for export. But this surplus is again taking the route via New York, to the detriment of Canadian seaports. This is proved by the fact that since that the new crop began to move, over 90 million bushels\* of grain have been shipped by water from Fort William to Buffalo since 1st September last, and also by the active export of grain from Portland this winter, and by the fact that, notwithstanding the good crop of this year, the movement of wheat through the Welland canal shows a decrease of over six million bushels.

The Quebec Board of Trade would respectfully point out to your Commission that this method of handling the export trade of Western Canada is simply disas-

\*These figures are subject to revision. An Ottawa despatch to the *Montreal Gazette* puts the figure at 94 million bushels. Another report makes it 48 to 53 millions.