

and Peterborough to Montreal. But the rate when the mill product is carried from Chicago to Montreal is 11.9 cents per 100 pounds, which places the Canadian oatmeal miller under a handicap of no less than 14.7 cents per 100 pounds.

On a 500 barrel mill this would amount to \$180 per day. On a 1,500 barrel mill, of \$540 per day, or on a mill of a capacity such as that erected in the town of Peterborough for the grinding of oats it amounts to a handicap of no less than \$162,000 a year.

When we find that our local industries are being handicapped and bled white to the very last dollar that they can stand, by the railway companies, I ask you, Mr. Speaker, is it not important for us to adopt every means in our power in order to relieve our local industries from such a handicap as they are under in reference to railway freight rates? There is no doubt that the Railway Commission does afford a certain amount of relief, but it does not afford the relief that would be given by establishing the best possible facilities for water communication. I might further point out that the effect of this policy pursued by the railway companies of practically bleeding white the industries that are established is to retard the development and progress of other industries. We have on the line of the Trent waterways magnificent water powers that are undeveloped, owing to the fact that favourable railway freight rates cannot be obtained. If this canal were built, the milling industry along the Trent canal would be stimulated and water powers would be developed. Let me give an illustration of the loss that the neglect of these water powers involves to the country. Two and a half pounds of coal produce one horse power per hour, when power is generated in large units by a thoroughly equipped and up-to-date engine and boiler. Two thousand horsepower will run a 5,000 barrel flour mill. That is to say it takes 18,000 tons of coal, according to these figures, to operate a 5,000 barrel mill 300 days in the year, that is to say 18,000 tons of coal would grind 6,750,000 bushels of wheat per annum, operating for 300 days in the year, 24 hours per day. That is to say that 20,000 horse-power will grind 67,500,000 bushels of wheat in a year, being an amount equivalent to the entire amount of grain that is grown in the Northwest for export. The freight rate handicap against the development of 2,000 horse-power for a 5,000 barrel mill is \$200,000 a year, but for 10 such mills representing 20,000 horse-power it would mean a handicap in freight rates in the neighbourhood of \$2,000,000 a year. That would be upon a basis of 20,000 horse-power, but it is no exaggeration to say that upon the line of the Trent waterway there is upwards of 100,000 horse-power that is capable of being developed. That is to say, on account of the people of Can-

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ada permitting a most valuable asset of this kind to remain undeveloped and to allow that country to be handicapped by railway abuse, we are allowing to run to waste practically, power which it would take one million tons of coal to produce and for this we are paying to the coal producers of the United States upward of \$4,000,000 a year. It does seem inconceivable that if all these matters are taken into consideration we, in the province of Ontario, where there is no coal to be found, at least in the older parts of the province, but where we are blessed by a bountiful Providence with abundant water power, have not been able to open up that route whereby we could turn that power into money. We are to-day upon the Trent waterway by reason of not having the canal completed, practically permitting 1,000,000 tons of coal to burn or to go to waste each year. So far as the Trent water route is concerned, I think I have made it clear that grain can be carried by it at 2 cents a bushel, and that if we had the water power on the line of the Trent waterway developed we could have that grain ground into flour. Now, the question comes up for consideration, is it to the advantage of this country to have our wheat, our raw material, shipped out to Great Britain and foreign countries in that form or is it better for us in Canada to have that grain ground into flour here, to have the necessary labour employed in this country, to have the wages spent in this country, and to have the benefit of the other attendant advantages that would flow from it, such as cooperage manufacturing establishments, bag manufacturing establishments and other incidental trades that would arise from having that grain ground in Canada.

I contend that it is of the utmost importance to Canada from every standpoint, that the grain that is grown in Canada, the raw material which we produce should, as far as possible, be sent out to the foreign markets in its manufactured state.

Now, what are some of the advantages that we in Canada derive by reason of having our grain ground in Canada? In the first place, the offal from the grain produced makes the very best fodder for our cattle and hogs. In addition to that, the offal from this grain keeps our cows in a much better condition, and they give a larger quantity of milk. We are in a much better position to prepare them for the market when we keep them fat and healthy. That is something that can be done with the offal produced from our grain, and it is not taken into consideration when we allow our grain to be shipped to Great Britain instead of having it ground in Canada. Now, I have pointed out that we have low freight rates on the Trent waterway, and we have abundant power available to grind five times the amount of grain at present grown in the Northwest. I have further pointed out that the offal produced from that grain would be