

bushels of wheat could be diverted to the Hudson Bay railroad, then you would have a traffic of 3,000,000 tons. This wheat will be taken to Liverpool. Assuming that the freight rate is equal to that of the C.P.R. between Regina and Fort William you would have these 3,000,000 tons to transport on that basis, that is, carried at the rate of .620 cents per ton per mile—that is the exact equivalent of 24 cents per 100 pounds between Fort William and Regina. Now on that basis if this railroad should be fortunate enough to transport 100,000,000 bushels it would earn \$7,890,000 in round figures.

Now, as to the cars coming back. On the C.P.R. 35 per cent of all cars that are moved eastward are taken back empty. All railroads have that problem of the empty car, but this railway has it exaggerated to a very high degree, there would be so little return traffic. Of course that same condition has already arisen in every new country through which a railroad is being projected. This is true of the C.P.R. We have only a small percentage of the railways of Canada paying their way. Assuming that these cars all go back empty, this makes a very serious traffic situation. The railway must compete with the other railways to get this wheat, and you have three railways competing for it, and they are able to get 65 per cent of their cars filled on the return trip westward.

If you are depending on wheat supply for your traffic, when you consider the cost of storage, the cost of the railway, the investment in ships, you are really spending \$10 to do a certain definite thing which you would be accomplishing just as easily by spending \$3.

The engineers are in our own department and I have asked them what was the expectation for local traffic, and they have always shaken their heads and said there did not seem to be any. The facilities for traffic often create traffic. I think it would be unreasonable to expect that the road would be utterly barren.

EXTRACT FROM THE EVIDENCE OF THE HON. MR. COCHRANE, P.C., M.P.

I was at one time Minister of Railways for the Government of Canada. It was during my term of office that the Port of Nelson was selected as the terminal of the Hudson Bay railroad. The selection was finally decided by me largely on the report of engineers. I went myself to both places, Nelson and Churchill. The port of Nelson was nearer and the railroad would be shorter. The engineer reported that it would be necessary to cross the bad lands for a long distance where the bottom was all the way down from six to ten feet before you got to anything like hard stuff, and I thought the building of the road would be a very difficult proposition.

The tenders to go to Churchill was four million dollars more than to go to Nelson, and while the harbour at Churchill would be easier to develop for a small harbour, yet the difference would not be as much as the difference in cost of building the railroad. Neither one of them was at that time very much of a harbour. But before I was there a boat drawing 20 feet of water went up to Nelson to where the harbour has been developed. No work had been done when I was there.

When I came into office the contract for the first section had been let; there was not much work done; but the contract for the first section was let, and supplies had been sent to Nelson.

The selection of a terminal had not been finally made then, but I think if you will look up *Hansard* you will find that Mr. Graham, my predecessor, said his records from the engineer had been in favour of Nelson, the same as mine. I questioned the engineer and satisfied myself. Of course, I saw both places, but my opinion as to a harbour would not amount to anything. I am not an engineer and it would only be a guess.

The surveys were made to Split lake, and that is where the change would have taken place, at Split lake.