

Mr. MAHARG: The figures given by the minister are not a reply to the statement I made, which was to the effect that the receipts from the grain elevator almost, if not entirely, covered the operating expenses of the harbour.

Mr. BALLANTYNE: I have not before me the operating expenses of the harbour, but I will get them for my hon. friend. They were far more than \$610,000.

Mr. LEMIEUX: I do not object to this Bill or to the principle which it embodies. In this connection I want to remind my hon. friend that when I went to Japan some years ago I found that the great complaint of Canadian exporters, especially exporters of wheat and lumber, was with regard to the high freight rates on the Empresses and the other steamers plying between Vancouver and Victoria and Yokohama. I was told in Japan that there was a great opening in that country for our lumber and our wheat if the rates were fair. Can the minister give the Committee some information on that subject? I should like to know also what is the personnel of the commission at Vancouver and what are the salaries paid.

Mr. BALLANTYNE: As to my hon. friend's first question, of course it is beyond the control of this Government to fix the rates on Japanese steamers plying between the Orient and Vancouver. I do not know, either, whether we could control the rates charged by the Canadian Pacific Railway Company on their steamers. So far as the general policy of the Government steamers is concerned, Mr. Hanna and his board of directors and steamship manager have full control of the operation of the steamers and of the fixing of rates. I did, however, intimate to Mr. Hanna that as these Canadian merchant vessels are being paid for out of the public treasury, they must be used solely in the interests of Canada and in the development of our export trade. I further stated to Mr. Hanna that if Canadian exporters had certain exports to send to other countries the rate on which was say, \$25 a ton, and if the farmer on his grain or the manufacturer on his finished product could not afford to pay more than \$20 a ton, Mr. Hanna would be justified in giving them that rate, even though he could get the higher rate at \$25 a ton. If the granting of this special rate would enable the products of our farms and industries, mines, fisheries and forests, to go to overseas dominions to the United Kingdom or to

foreign countries, I expressed the opinion that Mr. Hanna would be justified in giving that rate. If we are to obliterate in time our enormous national debt, we must expand our export trade, and I am quite sure that our merchant marine will assist in doing that. Mr. Hanna has instructions from the Government to use his discretion as to that the rates shall be; he may lower the rates, if necessary, to enable the products of Canada to be sent abroad.

Mr. LEMIEUX: I believe that we should stand by the policy laid down in this Bill. We must build up our ports on both oceans, having in mind the expectation of the late lamented Sir Wilfrid Laurier that Canada would be the shortest transit route between Europe and Asia.

I hope that Vancouver and Victoria may develop to be great transit ports for the trade of Europe to the Orient. I found the figures very interesting in showing the progress of trade between Canada and Japan. We have a commercial treaty between Canada and Japan, and we must, by getting the railway companies and especially the steamship companies to adopt a fair rate, finally succeed in capturing most of that trade. We in Canada are in a better situation than Seattle, or Portland, or even San Francisco, and there is no reason why there should not be between Vancouver, Victoria, or Prince Rupert and Yokohama the same volume of trade as there is between those American ports and Japan, because the route via Canada is shorter.

These are the imports from Canada to Japan, according to Japanese trade returns:

Year	Yen
1910	850,126
1911	333,932
1912	664,463
1913	1,830,426
1914	1,073,023
1915	1,063,009
1916	1,666,230
1917	2,557,108
1918	7,775,180

These are the exports from Japan to Canada, according to Japanese trade returns:

Year	Yen
1910	4,261,792
1911	4,006,046
1912	4,808,263
1913	5,090,018
1914	4,994,125
1915	7,024,068
1916	11,301,990
1917	16,158,202
1918	27,334,805

So the trade between Vancouver and Yokohama as regards both imports and exports is considerable and is progressing most rapidly, and we must conserve that trade and improve it if possible. That is the