

Q. Is it not a fact that to your knowledge to-day there are many steamers that are not making money, and in fact many that are in financial difficulties, so that the fact that the Canadian Merchant Marine is making no money to-day does not necessarily mean that the steamers have not been properly operated, but that they are up against a condition of trade to-day that is general all over the world?—A. They are no exception; it is the general rule. In the shipping trade all over the world you cannot find any trade that is profitable.

*By Hon. Mr. Tanner:*

Q. Did I understand you to say that you thought the extra railway rate eliminated Halifax for grain shipment?—A. Yes, the extra distance from Halifax to Montreal as compared with Portland, with which they have to compete on even terms, will result in every bushel of grain losing money heavily to the railway on account of the long distance it has to be carried.

*By the Chairman:*

Q. I notice you are always referring to cargoes from Montreal; what about the Transcontinental from Winnipeg?—A. The Transcontinental from Winnipeg is a direct line to Quebec which is much shorter than it is to Montreal. I do not see why the grain should not be shipped by rail from Winnipeg to Quebec, but there is this difficulty to overcome; the grain is shipped, first of all, from the farms to the elevators, and it is bought by the millers or by the exporters, and as soon as it goes into the elevator the farmer invariably loses his interest in the grain, having sold it to someone else. The farmer is interested in getting the largest amount he can for his grain, and he may hold it for a while, but he must sell it to somebody else while it is in Canada. Probably the farthest it will get from the farmer's interest will be in the Fort William elevators. There is an elevator capacity at Fort William and Port Arthur for 40,000,000 to 50,000,000 bushels. The grain accumulates there in the winter months, and the elevators are very full at present because the grain has been coming down during the winter, and it is being distributed now—the grain that was gathered last fall. Whether it is wise to keep it over is a question, but the shipper of the grain, that is, the exporter, buys the grain at Fort William. He gets the quotation at Winnipeg, probably, or at the Fort William price. He can buy it at Fort William for that price, or at Winnipeg for that price. Now, he has the privilege of shipping that grain either to Montreal or Portland or St. John or Halifax, or he can send it down to Buffalo. When navigation is closed we eliminate Montreal and Quebec altogether. He has certain lines of steamers that are available from St. John and Portland; he has certain lines of steamers that are available from New York. Now, there are three times as many steamers available from New York or Baltimore—and Philadelphia to some extent—than there are from Portland and St. John. At St. John we are limited to what lines? The Cunard line, the C.P.R., the Furness line to Manchester, the Donaldson line to Glasgow—only four services out of St. John, and there are practically four similar services out of Portland. He has to send his grain to those particular ports if he is going to ship it via St. John or Portland. If he ships it to Buffalo the grain ceases to be Canadian grain altogether; it loses its identity; it can be sold in the United States for milling purposes; it can be ground into flour, or it can be exported; but it is never exported from a United States port as the identical grain. It is shipped as Canadian grain, and they call it Canadian grain, but they don't get a Canadian grain certificate with every bushel of it that goes abroad.

*By Hon. Mr. Bennett:*

Q. Is it shipped from Buffalo to New York in bond—the Canadian grain?—A. Yes.