

the present moment the rate from Montreal is quite as cheap as it can possibly be expected to be. A rate on grain of 5½c. per 100 pounds is just as cheap as we are likely to get for a considerable time to come.

Mr. FOWLER. I do not know the facts myself, but it has been stated here as a fact that the rate from Montreal and Quebec is higher than the rate from New York, Boston or Portland.

The MINISTER OF TRADE AND COMMERCE. Not at present.

Mr. FOWLER. Then, what becomes of the statement that it is cheaper to ship by the American route, which statement has been made here to-day, and, so far as I have heard, not contradicted?

The MINISTER OF TRADE AND COMMERCE. It is not cheaper during the summer season. Our reduction in tolls has thrown a very large volume of traffic on the port of Montreal.

Mr. FOWLER. Yes, but during the winter season that rate does not obtain, and a great deal of freight is shipped during the winter season from the Atlantic ports.

The MINISTER OF TRADE AND COMMERCE. During the winter season it is not possible.

Mr. SMITH (Wentworth). Is it not true that in the contracts with some of the lines it is provided that the rate of freight from interior points in Canada to the sea-board and Great Britain shall not be greater than the rate of freight from the same point in Canada via New York?

The MINISTER OF TRADE AND COMMERCE. In some of them it is.

Mr. SMITH (Wentworth). But, as I understand it, there is no such provision in the contract with the Allans.

The MINISTER OF TRADE AND COMMERCE. No.

Mr. SMITH (Wentworth). Could the hon. minister tell us why.

The MINISTER OF TRADE AND COMMERCE. I have already stated that the Allans represent, and I think quite truthfully, that the winter freights are carried at a dead loss from St. John and Halifax.

Mr. SMITH (Wentworth). But is it not provided in some of the contracts that the rate from Montreal shall not be in excess of the rate via the American ports?

The MINISTER OF TRADE AND COMMERCE. The contracts with several of the lines from St. John do contain that provision, but not the Allan contract; and I do not think we could obtain more favourable terms if we were to ask for them. You can abolish this if you like. In my opinion, it is not of the slightest value in the summer season. It is kept on the sta-

tute-book because it is a great convenience to the ports of St. John and Halifax.

Mr. SMITH (Wentworth). That clause in the contract is of very great importance. I have known cases in which, on account of that clause, a steamer sailing from a Canadian port reduced its freight rate because its rate was shown to be higher than that from an American port. As they were obliged to carry at the same rate, they had to make a reduction, and this was a matter of great importance to the shipper.

The MINISTER OF TRADE AND COMMERCE. I am speaking of this particular contract we now have under consideration, and I tell the hon. gentleman that all the parties concerned in it have represented to the department, and I believe truly, that their freights during winter were carried at a dead loss.

Mr. SMITH (Wentworth). How is it that some contractors agree to these terms, while the Allans do not?

The MINISTER OF TRADE AND COMMERCE. Because they make a profit on the summer season, I presume, that about equals the loss that they sustain in winter.

Mr. SMITH (Wentworth). The Allans also run their boats in the summer season. Do they not make a profit on their summer business?

The MINISTER OF TRADE AND COMMERCE. I say there is no such stipulation in their contract, and I do not think it could be put in to any advantage.

Mr. BORDEN (Halifax). It would not be feasible to have it inserted, I suppose the right hon. gentleman means?

The MINISTER OF TRADE AND COMMERCE. I doubt very much whether we could obtain it unless we were prepared to pay a larger subsidy.

Mr. BORDEN (Halifax). Of course, it would be some advantage if we could obtain it without any increase in the subsidy?

The MINISTER OF TRADE AND COMMERCE. Certainly.

Mr. BORDEN (Halifax). As it is contained in some contracts, I suppose that possibly, without a great deal of difficulty, it might be included in this. The service is of some importance no doubt to the ports of Halifax and St. John. But the difficulty about mails and passengers is just this, and I can show it by an illustration. A friend of mine two or three years ago was one of two gentlemen who were in Great Britain. Coming home, one of them left by a steamer direct to Halifax, and the other left the following day by a steamer for New York. The latter arrived in New York, and came thence by rail to Halifax, a day in advance of the gentleman who sailed direct to Halifax. That, of course, is owing