

carry freight cheaper, in proportion, for 6,000 miles than for 3,000 miles. We have a fleet of Canadian steamers that are technically adapted for west coast shipping via Panama Canal, and there is no reason why our grain should come 1,500 miles when it can go 700 miles west and be carried across by our own steamers. Someone may ask what would be the advantage of service from Vancouver. They say you cannot move trade. As a matter of fact, if you can cheapen trade, reduce the cost of shipping, the shipper does not care whether it is Vancouver or New York or Hudson Bay. If there is any one scheme on which the Canadian Government have wasted money it is the Hudson Bay. I had something to do with that, too.

*By Hon. Mr. Willoughby:*

Q. Suppose a cargo were shipped by the Panama route, what would be the prospect of return cargoes?—A. There would not be very much return cargoes, but if you could ship your cargo from Montreal to Edmonton all-rail, charging a very high rate for that long haul, you could surely send it from Vancouver to Edmonton on the short haul and deliver it at Edmonton at a less price than you could via Montreal.

*By Hon. Mr. Bennett:*

Q. What is your knowledge of movement of grain where the Grand Trunk and C.P.R. brought grain from the upper lakes—the volume in bushels? When the Kansas wheat comes in, and the corn is moving rapidly, the Grand Trunk and C.P.R. could give a better rate to bring it through the lake ports to Chicago and then distribute it to the eastern states.—A. The Grand Trunk always had the advantage over the C.P.R. in that respect.

Q. Did that mean a large volume of trade?—A. Yes, but then they distributed it over their own lines; they have the Central Vermont and lines in the east, so that they were a favourable factor in that business.

Q. Were they in a favourable position for Buffalo?—A. Yes.

Q. In view of the statement that one-fifth of the labouring men in Canada are employed on the railways that trade would be advantageous in that respect, even if we lose it in Montreal?—A. Yes.

*By Hon. Mr. Watson:*

Q. At the risk of repeating the question, can you give us an idea of what the Canadian wheat shipped by all-Canadian route is worth at a premium in Liverpool compared with grain shipped through American ports?—A. I made that point very strong, that by retaining the Canadian grain through Canadian ports the shippers, the importers, always prefer our routes, and will give our wheat the preference, and in time I believe even pay more.

Q. Will you say how much?—A. I won't say how much, but he will take it on even terms at any time.

Q. Some years ago I found that the Liverpool grain exchange would accept Canadian grading, and was told by one of the largest shippers in England, "You have a man in Canada named Davie Horn, and his certificate is A-1 in Lloyds."—A. Absolutely

Q. And this man added, "We will buy Canadian grain on Canadian grain certificate, and we never have had any trouble, but we have to inspect grain routed through American ports?"—A. They know what they are getting when they buy on Canadian inspection, but they don't know what they are getting when they buy on American inspection.

After discussion, it was decided to investigate railway rates on freight, calling Mr. Hayes, Mr. Vaughan, both of the Canadian National Railways, Mr. Scott and others.

The Committee adjourned at 1 o'clock until 8 o'clock p.m.