

peg have an extra inducement to use the New York route rather than the Canadian, if the transshipment privilege is not there?

Mr. ENDERBY: We do not think so.

Right Hon. Mr. MEIGHEN: It stands to reason that it would be so, and I should like to have that fully answered.

Mr. ENDERBY: I am not trying to evade the question in any way.

Hon. Mr. FOSTER: That very point is very important to this Committee, and we want an enlargement of your ideas.

Mr. ENDERBY: Perhaps I have not got the question very clear.

Hon. Mr. DANDURAND: The American who is carrying Canadian grain on an American bottom to Buffalo, in order to continue it to Montreal must tranship it to a Canadian boat. Thus he loses the advantage of that freight from Buffalo to Montreal. But instead of doing that will he not be tempted to divert towards the American Atlantic ports?

Hon. Mr. BALLANTYNE: Grain will always be shipped by the cheapest route, and while I am not a transportation man I am pretty firmly convinced that a through rate via the port of Montreal would be lower than via the port of New York.

Mr. ENDERBY: As I understand Senator Meighen's question, he said that a grain shipper putting his grain into Buffalo can ship it to Montreal or to New York.

Right Hon. Mr. MEIGHEN: Yes, he has those alternatives.

Mr. ENDERBY: Yes, under the present system. If we force him to bring it to Port Colborne, say, he cannot ship it to Buffalo.

Right Hon. Mr. GRAHAM: He cannot bring it to Port Colborne. That would be coasting.

Mr. ENDERBY: No. We, in theory, deprive him of the alternative of either Montreal or New York, if we close Buffalo to him. We do not agree with that theory. If the grain is going to the world's markets, that is its ultimate destination—Great Britain or the Mediterranean. If it is at Buffalo it can go on down to Montreal; if it is at Buffalo it can go to New York, under the present circumstances. Under the change in the coasting law it would go to a Canadian transfer point, and the grain would reach its same ultimate destination, on account of freight rates on the all-Canadian route, and we must be in competition with the other routes or we would not get the business.

Right Hon. Mr. GRAHAM: We can shut out Port Colborne for the American shipper, because he cannot unload there. If he unloads at Buffalo, under the new Act he cannot take it to Montreal.

Mr. ENDERBY: Correct.

Hon. Mr. DANDURAND: In an American bottom.

Right Hon. Mr. GRAHAM: But the same American ship cannot take it to Montreal. Under the new Act he will be compelled to give up the handling of that grain through a Canadian port, but he would have to divert his attention to the American port. Is not that an encouragement to him to set up machinery that will be able to take care of his cargo at Buffalo, and to export it through an American source? Might it be an incentive to him to do that?

Mr. ENDERBY: We do not see it that way; we see it more as an incentive to him to own a Canadian ship.

Right Hon. Mr. MEIGHEN: But he cannot own a Canadian ship.

Mr. ENDERBY: He can at present.

Right Hon. Mr. MEIGHEN: But not under this law.

Mr. ENDERBY: No, sir.