

It is well known that "Time" is the main factor in fixing of rates and that by the same type of vessel the rate will vary directly as the time of transit. Therefore: If wheat can be carried from Fort William-Port Arthur to Buffalo in 84 hours for an average rate of 2.76 cents per bushel, then it can be carried to Montreal in 113 hours via the Montreal Ottawa and Georgian Bay Canal for 3.73 cents per bushel.

Therefore the saving in freight rate via the Georgian Bay Canal over existing routes will be:—

- (a) All water route, 9.03 cents per bushel less 3.73, equals 5.30 cents per bushel.
- (b) Lake and rail route 11.80 cents per bushel less 3.73, equals 8.07 cents per bushel.

The cost of operation and maintenance of the waterway, fixed charges, etc. will absorb part of this saving but it is estimated that the actual freight rate on wheat from Fort William—Port Arthur to Montreal via the Georgian Bay Canal will be at least 3 cents per bushel less than the lowest existing rate.

Mr. PETTIT: Then you have estimated what toll per bushel will be charged by the company?

Mr. SIFTON: No; we took an outside figure. We think in practice the saving will be considerably more than the three cents. Our estimated gross saving is 5.30 cents, less the toll. We estimate that, having paid the tolls, a conservative estimate would be three cents. We say that the tolls will not be more than three cents per bushel. As a matter of fact, I do not think the tolls will amount to one cent, but in making this estimate, we leaned toward the conservative side, and estimated the tolls at the highest possible figure.

Mr. PETTIT: You know that the average rate on wheat per bushel, for the thirteen years down to and including the year 1925, has been one cent from the head of the lakes to Port Colborne lower than it was from the head of the lakes to any port on the Georgian Bay.

Mr. SIFTON: I know a little about that; it is a question of return cargoes. The whole question of returned cargoes comes in there.

Mr. PETTIT: You know that is so?

Mr. SIFTON: Yes, I know that. I know there is a differential against Port Colborne.

Mr. PETTIT: And you know that from Port Colborne to Montreal, by way of the Welland Canal, Lake Ontario, and the St. Lawrence river, the route is 70 miles shorter in distance than from Georgian Bay to Montreal via your canal.

Mr. SIFTON: I do not know that. I have never worked out that figure.

Mr. PETTIT: And in addition to that, you have the advantage of a long stretch of Lake Ontario, so that there is an advantage in the Welland Canal-Lake Ontario-St. Lawrence route, over the Georgian Bay Canal.

Mr. SIFTON: We are not before Parliament to argue the relative merits of the St. Lawrence and the Georgian Bay. We hope both will be built. We think the country needs both, but what we say with regard to our canal is this: that the country would not have to pay a cent for our canal. We ask for no subvention, and there is nothing to come out of the Treasury, and certainly the western wheat man gets our estimated saving of three cents a bushel. If the St. Lawrence route takes our trade away, we have no objection, but the only way it can do it is to give the western wheat man a greater saving, but we will make certain that he gets a saving of three cents a bushel.

Mr. PETTIT: And you say it will be cheaper to bring the grain through your canal, rather than via the other way?

[Mr. Winfield Sifton.]