

affords cheap barge transportation between Midland and Montreal.

I have here a statement prepared by Mr. L. Richards, the traffic manager of the American Cereal Company. When this company located their works in Peterborough and spent upwards of a million dollars in buildings, etc., they took good care first to look over the railways of Canada, and to look over the rest of the province of Ontario, to find the very best facilities for shipping their products and supplying their large business. Before making this large expenditure they went into very careful calculations. They examined the different routes, whether by way of Port Colborne, or Midland, or Victoria harbour. They carefully inquired into all the advantages, and came to the conclusion that the Trent waterway was destined to be one of the routes whereby the cheapest transportation could be furnished as part of the link in carrying grain from the Northwest to the sea-board. They figured the matter out in this way according to Mr. Richards :

Cost of steam barge and tows, capacity, earnings and expenses per month and season of seven months :

One steam barge, steel, 20,000 bushels	\$25,000 00
Three barges, 25,000 bushels each at	
\$10,000..	30,000 00
	55,000 00

Midland to Montreal—	
Capacity steamer..20,000 bushels wheat.	
Three barges...	75,000 "
	95,000 "
Total	02 cents per bushel.
	\$1,900 00
	2½ trips per month.
	950 00
	3,800 00
	\$4,750 00 earnings per month
	2,909 58 gross expenses.
	1,840 42 net per month.
	7 months.
	\$12,882 94

Equal to 23.22 per cent on \$55,000.
 Down load paying freight. Returning empty.
 Figuring two trips per month—
 Earnings... \$3,800 00
 Expenses... 2,909 58
 Net 890 42
 7 months.

6,232 94

Equal to 11.33 per cent on investment.

I may say that this rate of 2 cents per bushel is made upon the condition of the barges returning empty, that is to say, the steam barge would return empty from Montreal.

Mr. J. T. SCHELL. Would the hon. gentleman allow me to ask him at what rate per bushel he is carrying that grain ?

Mr. HALL.

Mr. HALL. Two cents a bushel. Now, as I say, these figures were very carefully prepared by Mr. Richards on behalf of the American Cereal Company at the time they made their investment in Peterborough. They figured out that they were prepared to put the necessary amount into a fleet of steam barges and tow barges in order to accommodate their works at the city of Peterborough, and still further works that they propose to establish. Now, that being the case, it becomes important for us to consider what is the present freight rate upon wheat that is carried from Midland to Montreal. I find that, on the export basis, the rate is four cents per bushel from Midland to Montreal; or, in other words, it is 6.66 cents per hundred pounds from Midland to Montreal by rail on the export basis. According to the evidence which was given before the Transportation Commission by Mr. Richards 2 cents per bushel is the cost of carrying that wheat by steam barge; that is to say the carriage of grain by way of the Trent waterway as compared with the best rate that is now obtained from the Grand Trunk Railway or the Canadian Pacific Railway would involve a saving of three and a third cents per hundred pounds. Other evidence was produced to show that four full barges could be taken in one tow and that the rate would be considerably less than two cents, but the fact of the matter is that the difference in favour of the Trent waterway as a part of the system of carrying grain from Midland to Montreal would be three and a third cents per hundred pounds. This calculation is based upon the assumption that these barges would return empty, but no doubt that would not be the case because there would be ample freight to be obtained. As freight was obtained from time to time the grain rate would be correspondingly less.

I might further point out the fact that the rates that are made by the Grand Trunk Railway and Canadian Pacific Railway from Midland to Montreal are made to compete as far as possible with the carriage of grain from Buffalo to New York by competing lines. As far as the railway facilities are concerned they have got their freight rates down to practically hard pan basis when they have them down to four cents a bushel between Midland and Montreal. I am quite aware of the fact that the rate varies, that they sometimes carry at even a less rate than four cents a bushel, but the question is as to the profit they make out of it. It does seem to be perfectly clear that the Trent waterway is one that does furnish a means whereby the cheapest transportation can be obtained between Fort William and our Canadian ports. It does furnish a link and I am glad to see that the Transportation Commission evidently regarded it as a very important link.

In order that we may appreciate the facts