

be any more expensive than taking that same wheat to Portland?—A. It is a much shorter distance; it is a question of cost of railway transportation.

By Hon. Mr. Turriff:

Q. Take our steamers now, that are not exactly tramp steamers, if they were put into the grain trade they would be practically tramp steamers; take those 8,000-ton boats, can they haul wheat from Quebec or Montreal to the European ports at the prices paid to the tramp steamers and cover expenses? Of course our ships are expensive ships, having cost about \$200 per ton dead-weight; but could they haul this wheat at tramp steamer prices and not lost money?—A. Of course the question of the rate of freight comes in; six and sixpence a quarter is the ruling rate to-day. Those Canadian Government steamers can be operated as cheap as a tramp steamer, apart from the question of marine insurance, which is a very large item. That is the point I have advocated from the very commencement that the Government should not pay a single dollar to any Marine Insurance Company for marine insurance; it is foolish for them to be insuring their boats and paying 6 or 7 per cent to an underwriter in London when they have a sufficiently large fleet to cover their own insurance. If they had a certain amount passed to an insurance fund they could pay all their losses out of that and not take any money out of the country at all. Anyhow, with ports all over, and with more than 20 or 30 steamers, they would invariably cover their own insurance and cover any tonnage loss. I heard that last year they paid several millions of dollars for marine insurance.

Hon. Mr. Tessier:

Q. Who paid that?—A. The Government paid Lloyds in London when they should have debited the steamers with the insurance. They lost one boat, but the underwriters, I believe, got as much again. The insurance ought to be eliminated altogether, and written down to a point where they can compete. Suppose you have your boats at \$200 a ton, and write down the valuation to \$100, which more nearly approaches their value to-day; insure those boats on that basis of valuation, and do the insurance yourselves. You could thus cover your losses, and pay your losses out of any premium you now pay, by debiting each boat with the proportion of insurance from the fund. Those boats come into competition with other boats at about that valuation. Your cost then would be the same. I don't believe the statement that was made by the department—that they can operate Canadian Government steamers cheaper than British steamers, although that has been repeated over and over again. I happen to own British steamers myself, which I am operating in Canada, and I know that my costs are more than if they were under the British flag. Where they get it, they probably forgot some accounts. If you take a certain proportion of the expenses and forget the other, you have not concluded anything. They should be complete; they should give reasons for it. There is only one disadvantage that those steamers burn more coal in proportion to their size than a good modern tramp steamer does. They are a little more expensive, consequently their earning capacity is not so good.

Q. That is, they are cheap?—A. Ours are cheap as far as that goes. They are good boats; lots of the boats are good types of boats, and others are bad; in fact, they are ridiculous.

By Hon. Mr. Webster:

Q. The large ones are good?—A. The large boats are good boats and can do good service. I believe those boats could be of great service to Canada but you cannot run steamers with a railway man. I don't know anything about running railways, but I have been in steamers all my life, and I would not undertake to run a railway.