

American ports, large quantities of American grain has been routed. Of the latter (American grain) some has been exported and also some distributed by rail through the Eastern and North Eastern States. With the closing of Montreal in the winter months grain from the above Georgian Bay ports has been carried to Montreal and from thence over the Grand Trunk System to Portland.

"This plan of carriage is particularly favourable to Canada in respect of the Canadian grain from Fort William to Canadian ports, ensuring the carriage by water to Canadian vessels under the coasting laws between Canada and the United States, and from this point is highly desirable as fostering the shipping interests of Canada. While the winter trade to Portland is not as desirable as if that port was a Canadian port, in view of the fact that the railway from Montreal to Portland belongs to Canada it gives additional trade to federal railways which would otherwise be diverted (with Montreal closed) to Buffalo and to New York and other Atlantic ports.

"The advantage of lake transit from ports at the head of the Great Lakes (both American and Canadian) to Georgian Bay ports, rather than to Buffalo, is manifest, and every advantage should be taken of this to induce grain to follow in this channel for the advantage of the carrying of grain and other products by Canadian channels.

"In addition to the above national railway ports on the Georgian Bay, there is also the important point of shipment, Port McNicoll, from whence the Canadian Pacific Railway carry the bulk of the grain through Canada, which they deliver at Montreal for export during the summer months, and after the closing of that port carry on to St. John, New Brunswick. The hauling of grain has reached large proportions at Port McNicoll, as not only is grain consigned there from Canadian ports at the head of Lake Superior, but also American grain from Chicago, Duluth, etc. The trade at Port McNicoll in 1921 reached a volume of some 70 million bushels, and in addition a very great quantity of flour.

"The alarming quantity of Canadian products exported via American Atlantic ports should be diminished to the greatest possible extent, and carried by Canadian systems of water and rail transport."

The views of other members of the Committee, who are especially concerned with such conditions which have been so detrimental to the Transcontinental Railway and the Montreal and Quebec harbours, might be summed up as follows:—

"Navigation can remain open and is safe on the St. Lawrence river as late as January every year.

"Since the first aim of the Federal Government must be to secure better freight return on the Transcontinental Railway in order to reduce its huge railway deficit, a more reasonable and inviting rate should be quoted from Winnipeg and other shipping points along the line, so as to have the largest possible quantity of grain sent through Quebec until the closing of that port in January, and then on to St. John and Halifax.

"In accordance with the evidence given before the Committee by Mr. C. A. Hayes, a rate considerably lower than the present rate could be quoted and the Transcontinental Railway would still be making money out of it.

"Since over \$25,000,000 have been spent in improving the navigation in the St. Lawrence river and making it as safe as possible at all times from Father Point to Quebec and Montreal, the Government should take the means of securing a substantial reduction in insurance rates from Lloyds and other Marine Insurance Companies, and of putting an end to the extra and prohibitive rates actually enforced."

CONCLUSION

After careful consideration of all the evidence submitted, your Committee is of opinion that there exists a most serious condition of affairs, with regard to the diversion of the Western grain trade to New York and other United States seaports, for export. There seems to be no doubt that two-thirds, and probably four-fifths