

By Right Hon. Mr. Meighen:

Q. Is Canadian Steamship Lines Limited in the shipbuilding business, too?
—A. They are, sir. They have the Midland Shipbuilding Company in Midland, and the Davie Shipbuilding Company at Levis, Quebec.

Q. So you would be in favour of a percentage against British built ships?—
A. Most distinctly.

Q. If you were not in the shipbuilding business yourself, and were just a shipper, would you then be in favour of that?—A. Under the present management the Canada Steamship Lines, Limited, adopted a policy of Canadian built ships. This is where the money is earned, and in our opinion this is where it should be spent. While our Canadian built ships were slightly higher in price than similar ships built in England, we are satisfied that the workmanship is as good or better and that the general advantage to the country offsets any additional price.

Q. Do you agree with Mr. Smith that the cost of the ship has no relation to the rate that it is able to obtain?—A. None whatever. The cost is set by the competitive route or the competitive steamer on the same route. That is where the Canadian grain shipper will have his protection under this coastwise law. There is no chance here for the Canadian shipowner, either individually or combined, to increase the cost of the carriage of grain above the competitive cost as set by other routes; and the other routes are numerous. You have Vancouver and the Hudson Bay route, all in competition.

Q. And the American route?—A. And the American route. I was going to refer to that route across the lakes through the Erie Barge Canal to the seaports on the American coast.

The CHAIRMAN: Any further questions, gentlemen?

Hon. Mr. GRIESBACH: That is a very important point that the gentleman has just brought out, that the rate on lake shipping is competitive with quite separate and distinct and uncontrollable independent factors.

By Hon. Mr. McRae:

Q. The Hudson Bay and Vancouver routes would not apply to a certain section of the prairies that cannot reach those ports?—A. It would apply at all seasons, sir. But the grain grown west of a certain point on the prairies is tributary to Vancouver, and we have little hope of getting that. The grain grown east of that point is tributary to the Great Lakes and is in immediate competition with the Hudson Bay route and the American route via Buffalo to the markets of the world.

Hon. Mr. DANDURAND: Yes, but the price is very often fixed when the grain has reached Fort William, so that the price is contributory to the lake movement?

Mr. ENDERBY: The price received by the producer of the grain in our opinion is fixed when the grain has reached Fort William, then the marketing of that grain via a certain route is governed by the rate fixed for that route. If we attempt to charge a higher rate than a competing route we do not get the business, and we must always be in competition with our American friends and the Vancouver route. There is one other point in connection with the grain route through Montreal and across the lakes as compared with the American route through Buffalo. The ocean rates out of American Atlantic range seaboard ports are almost without exception lower than the similar rates out of the St. Lawrence, and that difference must be absorbed by the lake ship owner. The difference amounts at times to as much as one cent per bushel.

Hon. Mr. McRAE: Mr. Enderby, doesn't the Imperial Conference arrangement that there shall be a direct bill of lading when shipping to England, handicap the Buffalo gateway?