

Mr. STEPHENS: That was true in all those ports where they have not segregated the manufacturing districts from the warehousing districts. The manufacturing of certain products has been a success in free ports where the authority of the port has been wise enough to concentrate the manufacturing in one place and the warehousing in another.

The CHAIRMAN: Have you any knowledge, Major Stephens, of this report on a proposed Montreal-Atlantic terminal? It was made in March, 1927, by W. B. Richards & Company, 16 Exchange Place, New York City. They came to Montreal and for at least five or six years put forward a request that we give them space at Maisonneuve to establish an American zone of their own. They were ready to spend something like \$30,000,000. It being American capital and an American organization, we did not pay much attention to it. We discounted it. We may have been wrong.

Hon. Mr. DUFF: I think so.

The CHAIRMAN: The book contains a description of a free port zone, and figures of the revenue and the possibilities of the St. Lawrence route. They were prepared to make an expenditure of \$30,000,000. We refused to grant their request for the necessary facilities. I mention this merely to show that even our neighbours to the South had at that time their eyes on the importance of the St. Lawrence route.

Mr. STEPHENS: Answering your question, Mr. President, I had never heard of that report before. It seems to me it must have been urged upon men with money to invest that as it was no use to try to establish free zone areas in the United States, they should seek to establish one outside.

The CHAIRMAN: Yes.

Hon. Mr. BARNARD: Is a large area of land required for a free port zone? I suppose it would vary with the amount of business.

Mr. STEPHENS: In Hamburg the free port area at its inception was under 1,000 acres. I am informed it is now over 3,000 acres.

Hon. Mr. CASGRAIN: About five square miles.

The CHAIRMAN: Are there any other questions of Mr. Stephens? Mr. Stephens, we thank you very much for your valuable and interesting information.

Hon. Mr. CASGRAIN: I second that with all my heart.

Mr. STEPHENS: I am equally happy in having been honoured with an invitation to appear before you, gentlemen.

The CHAIRMAN: Our next witness is Mr. A. L. W. MacCallum. Mr. MacCallum is manager and secretary of the Shipping Federation of Canada, Montreal.

The CHAIRMAN: How long, Mr. MacCallum, have you been connected with the Shipping Federation of Canada?

Mr. MACCALLUM: The last nine years.

The CHAIRMAN: Could you give your reaction on a free port zone?

Mr. MACCALLUM: First of all, Mr. Chairman and gentlemen, I should like on behalf of the Federation to thank the Committee for the invitation to come here to-day. Our Federation is a steamship organization, and naturally we are most interested in the transportation end of the free port problem. Representations as to the need for a free port probably would be better made by the merchants and manufacturing interests.

I was instructed by my Federation to prepare a very brief memorandum on the whole question. Naturally shipping men have from time to time given a good deal of consideration to this problem of free ports, and perhaps the best thing I could do would be to read this memorandum, which gives our views in a general way.