

rather unfavorable to fair profits, with low rates. There may be a liberal subvention from the public exchequer. But other routes have that, and the Dominion and the province cannot at the public cost maintain a transportation service that is not in itself profitable.

"I have only spoken of the carriage of grain. There must also be considered the possibility of developing a great traffic in the transportation of beef and live cattle. If the season during which ships can set out from Hudson's Bay ports will be a suitable one for the shipment of Manitoba cattle, then certainly such traffic would not be open to the objection that is likely to exist in the case of grain, because of the necessity of storing, and it would surely be a most favorable route in many respects, not only for live cattle, but for our dairy products. But the other conditions that I have referred to as operating against the Hudson's Bay route as compared with the existing route—the necessity for a special class of ships, their use for less than half of the year, their inadaptability for competing for traffic in other waters—these all apply equally to the traffic in cattle, beef and dairy products, as to that in grain."

RAILWAY TO THE BAY.

"There is also the question of railway transportation from Manitoba to the bay. As a portion of such line, it would seem to be subject to some of the unfavorable conditions that would affect the line of ships. The road would be quite as expensive in construction and equipment as the average railway, and much more so than the lines constructed on the prairies of Manitoba. The equipment in rolling stock would require to be particularly heavy because an immense traffic would have to be carried over it within a short period. And unless kept open for purely local traffic, which is more than doubtful, part of the line would be operated for but a part of the year probably but a short part of it. Looking at the history of other roads it is difficult to see how a line operated under such conditions would be profitable. Interest upon fixed charges and the cost of maintenance would have to be paid for the entire year. Its maintenance and operation would be unusually expensive. And at the same time low rates of freight must be maintained else there will be no traffic for the line.

On the whole I am forced to the conclusion that there are conditions attending both rail route and water route from Manitoba via Hudson's Bay that will place them at a most serious disadvantage. In truth I do not see how it will be possible under these conditions—and they are natural conditions which cannot be removed—that by such a route our products can be carried to the British markets at rates even as low as those which now prevail, and at the same time with profit to the carriers.

CHANGES IN SITUATION.

"I propose to say a few words by way of pointing out the remarkable contrast between the conditions that exist today as respects the transportation of our products and those which prevailed when, and for some years after the agitation for the opening of the route began. When the scheme first challenged public attention and evoked public sympathy with such remarkable unanimity and zeal, Manitoba was without access by rail to the Atlantic excepting through the United

States. We had practically no grain and absolutely no cattle to export. Our people were looking forward with hope to the time when we would become large exporters if only reasonable rates of transportation would prevail."

QUESTION OF RATES.

The report proceeds to point out that when the rates were first announced they were enormously high, being equal in 1883 to 41 cents a bushel on wheat from Winnipeg to Toronto. To-day it is less than 20 cents to Buffalo. The present conditions are entirely different, the rate per hundred pounds on grain from Winnipeg to Fort William being 14 cents when the full reduction takes effect next year. In 1884 the rate from Winnipeg to the seaboard was 64 cents. The fixed rate from Winnipeg to the head of the lakes will next season be 82-5 cents per bushel and from the head of the lakes to Buffalo the average of daily rates during the season of 1897 was 13-4 cents per bushels. There is a higher rate in the spring and late autumn, but the facts show the remarkably low rates that prevail once the head of the lakes is reached. Mr. Fisher continues.

"Again we cherish a well founded expectation that the rate from all points in Manitoba to the head of the lakes will in the near future be reduced to six cents per bushel. Meantime the channel of 20 feet in depth from Duluth to Buffalo is about completed and its completion will surely be marked by a still further reduction of rates for that section of the route. At the same time the deepening of the St. Lawrence canals from 9 to 14 feet is being hastened and will next year, according to present expectations, afford a continuous passage from the head of the lakes to Montreal, for a vessel capable, with her two consorts, of carrying in one load 250,000 bushels without a break of bulk. As this, according to my information, is equal to the very largest, and far exceeds the average, of transatlantic cargoes, it will be seen that with the completion of the St. Lawrence canals much of the expense now arising from storage and transfer charges on the way, from the increased cost of carriage in small canal barges between Kingston and Montreal and from delays incident to the making up of the ocean cargoes from small barge loads, will be avoided, and a further very substantial reduction insured on this section of the route. The deepening of the Erie channel from seven to nine feet now in progress will secure a like result between Buffalo and New York. And while actual transportation charges on the different sections of the route are thus being lowered, improved appliances for the transfer and handling of grain, as at Buffalo for instance, are being utilized to shorten the time and lessen the cost involved in such handling, and that under conditions that we can scarcely expect to duplicate at Hudson's Bay ports.

The fact is that when the agitation for a Hudson's Bay route was at its height, we actually feared that successful wheat growing in Manitoba would become impossible if we had to ship to Montreal or New York at the prevailing rates, while the evidence given before parliamentary committees indicated that a Hudson's Bay railroad would cut the rates to tide water in two. With the favorable conditions of navigation in the strait, which were at the same time

presented to the committees, it seemed as if the transportation problem could be settled in the interest of the Manitoba farmer by no other than the opening of such a route. That a few years would see the rates of that day cut down to little more than one-fourth was not for a moment dreamed of."

LENGTH OF HAUL.

"The only parts of the existing routes where to-day people can or do complain of the rates is the part between provincial points and the head of the lakes. In other words, the only obstacle in the way of our having the rates we desire is the length of the rail haul over which our products have to be carried. But the distance from nearly all points in the province to the ports of Hudson's Bay greatly exceeds that to the lakes. From Winnipeg to Churchill by way of the Dauphin line is, if I mistake not, at least double the distance to Duluth by an extension of the Manitoba and South-eastern railway to meet existing lines stretching in this direction from Duluth. In the matter, therefore, of rail haul, which is the only weak link in the chain as regards the lake route, we are a great deal better off than we would be with a line to Hudson's Bay. This longer rail haul, with the unfavorable conditions that would attend rail transportation to the north are therefore serious considerations affecting the feasibility of the route altogether apart from the question of the navigation of bay and strait. Taken even by themselves they are considerations which might not unreasonably be taken as conclusive against the route in view of present and probable future rates by the old routes to Montreal and New York. Then instead of its being the fact, as was feared fourteen years ago, that cattle could not be shipped at all unless the Hudson's Bay route was opened, we have but to look at the great and growing traffic in the shipment of live stock to Britain, and if I mistake not there is not such complaint about transportation rates to the seaboard in this particular branch of traffic. And we know that the conditions of navigation in the strait are not what the committee of our legislature, and through it the public, were in 1884 led to believe. The difficulty we know now is not from the harbor ice limiting, as the committee thought, the period of navigation, but from the filling up of the strait by the Arctic pack, which was not shown to the committee to be a serious factor for consideration. Instead of the strait being navigable for from four and a half to five months in the year by ordinary vessels as the committee believed, it is practically never navigable at all by "ordinary" vessels. The season for navigation by ships of the special type necessary is short, and the natural and necessary effect as to cost of transportation, etc., of operating a line of such vessels, for such a short period and under the conditions that must exist, have I believe been fairly set forth in this report."

"When I suggest that the period during which ships can with safety leave a Hudson's Bay port is limited to that between the 15th or 20th of July and the 15th of October, I desire to make my meaning perfectly clear so that I be not misunderstood. This period is not the whole period of navigation in that channel. Taking it from the time it can be first entered from the Atlantic in the summer until the last ship is like'y, from