ROYAL COMMISSION CONTINUES EVIDENCE

Evidence Given on Railway and Shipping Matters by Messrs J. A. McDonald, M. P., J. O. Hyndman, Wilfrid Boulter, and W. L. Higgins

Continuation of the evidence taken before the Royal Commission (Sir Andrew Rae Duncan, chairman) sitting at Charlottetown, Aug. 6th and 7th.

Hon. J. A. McDonald, M.P., Cardigan, in giving evidence, said that if the facilities spoken of at Georgetown were provided it would mean not only greater benefit to the people in the vicinity, but those facilities could be used for the whole Province, throughout the whole season while the congestion at Charlottetown is great. There was no reason why a car loaded at Tignish should not run to Georgetown as well as to Charlottetown; the extra haul would be very little in the matter of freight. If we had the facilities at Georgetown, and there was a congestion at Charlottetown, there was no reason why a steamer could not be loaded at Georgetown in October. Then there is the advantage to the local shippers and farmers in King's County, which would be very great. Quite a lot of potatoes could be assembled at Georgetown without any rail haul at all. We have a great number of points in Kings County which have no railway facilities of any kind, for instance, Bay Fortune, Lower Montague, Newport, Murray Harbor North, and one or two other points which are water shipping points that have no railway facilities. If there were facilities at Georgetown it would put these people in as good a position as a railway point, because they could use small schooners and take freight to the central towns from Georgetown.

Hon. Mr. McDonald gave much additional information concerning the potato export business and the growth of the seed industry during the past few years. He explained that twenty-five years ago there were few potatoes shipped by rail. The great bulk of the exporting in that line was done by water, the potatoes being assembled and loaded into the schooners at various water points. That was when we had the United States market, when we could ship direct to Baltimore, New York and Boston in cargo loads. There was anywhere from 5,000 to 15,000 bushels shipped in 100-ton schooners.

THE CHAIRMAN: Who collected the potatoes?

HON. MR. McDONALD: The merchants at the different points or centres.

THE CHAIRMAN: So far as potatoes are concerned, apart from the very heavy short winter-shipping season, it would not be possible to collect them at different points and ship them in loads?

HON. MR. McDONALD: Scarcely. The severe winter is such that farmers could not take a chance on opening up their cellars. We figure that from the 1st of January until, say, the 1st of March, the shipments are confined almost wholly to the stock that has been previously stored; that is, stored at points where the potatoes can be loaded into the cars. The movement of potatoes from the farmers' cellars during those winter months is almost nil.

THE CHAIRMAN: Could there be more collection even from these points at which you ship than there is coming through during these months?

HON. MR. McDONALD: It might be stimulated to some extent but with the present facilities it is risky.

THE CHAIRMAN: Assuming you had proper shipping facilities at Georgetown, Charlottetown and Summerside, you would still have to get the ships?

HON. MR. McDONALD: Yes.

THE CHAIRMAN: It is going to be difficult for you to get ships to come for 5,000 bushels?

HON. MR. McDONALD: We cannot get them.

THE CHAIRMAN: Could there still be sufficient collected at these points if you had good harbor facilities so as to make it possible for you to attract these ships?

HON. MR. McDONALD: Yes, that is the point I want to make, that if we had these facilities there would be no difficulty in getting the ships loaded.

THE CHAIRMAN: You would have no difficulty in getting them loaded, but would you still have any difficulty in getting the ships to come?

HON. MR. McDONALD: Not at all; not through the season of navigation. In October, November and December the facilities could be used at Georgetown, while at Charlottetown we usually figure on only about two months, with a possible traffic in the spring as well.

THE CHAIRMAN: Three months, of course, is a short season for shipping. Would it be possible for the produce shippers to have such an arrangement among themselves as would insure the coming of ships to these ports for a longer period?

HON. MR. McDONALD: No, I do not see how that could work out, because at the end of that period, in the fall, ships cannot come, until the first of May. After May it is not any use to talk about it, because the buyers down South are beginning to get new stock from the Southern States. It is really in the fall, with an occasional steamer loaded in the month of May.

THE CHAIRMAN: Is there any other traffic to these ports that could be developed?

HON. MR. McDONALD: Well, there is always the local traffic. It is not very large; but the point about this Georgetown prospect is that the building is there; the rails are on the wharf and everything is ready except to spend an amount of money on the building on proper protection for warehouse accommodation.

Another point stressed by Hon. Mr. McDonald was in connection with the subsidizing of steamers. At present we have for transportation purposes two large corporations controlling the situation. The Canadian American Trading Company of Cuba, which embraces the largest importers there; and the Associated Shippers of New Brunswick, who practically control all the steamers that are chartered. The Canadian American Trading Company control absolutely the United Fruit Company's boats; they also charter a lot of boats which are sent to Halifax, Saint John, and sometimes to Charlottetown, for their own purposes exclusively. The Associated Shippers of New Brunswick also charter boats for their own purposes exclusively. If a local shipper wanted to make a shipment of a carload or two he has no facilities at all. That is where the advantage of a subsidized service of some kind would be evident.

THE CHAIRMAN: Do you agree that if the traffic could be more fully developed from Halifax and Saint John, there would be a bigger foundation to build upon, and that would be of considerable help to Prince Edward Island?

HON. MR. McDONALD: Absolutely. The fact that we would have to pay a reasonable rate on freight to Halifax or Saint John would not shut us out, if we could use the facilities provided at these ports; and it would enable the shipper to get his stuff away without having to go through what you might call the monopoly system.

THE CHAIRMAN: When you speak of subsidizing boats for this purpose, what have you in mind?

HON. MR. McDONALD: What comes to my mind just at the moment—I do not want to bring the subject up except by way of illustrating my meaning—is the West Indies trade agreement between Canada and the British West Indies, which provides for the subsidizing of a considerable amount of steamer accommodation, largely by Canada. Now none of this shipping will touch Cuba in any shape or form. Suppose we had something similar. It is deemed necessary to spend a lot of money to subsidize boats to trade with the other West Indies Islands. None of them touch Cuba, which is after all our big market. It would be a question of trying to get a service somewhat along that line.

THE CHAIRMAN: You want the principle of that agreement extended to cover Cuba.

HON. MR. McDONALD: Possibly. Of course, that is a subject I should not want to discuss at the present time.

THE CHAIRMAN: Why should we not discuss it?

HON. MR. McDONALD: It is in the realm of policies, and it has not been ratified yet; the steamship arrangement has not been completed. The West Indies pay a portion of the subsidy and possibly they might object to having any of the subsidy go outside of the British West Indies. But something might be done for the Island with the boats themselves. My opinion is that if that service could be arranged so that it would put us in touch with Cuba it would be very valuable.

From his experience in connection with ship-building on the Island Hon. Mr. McDonald was asked what effect modern changes have made in this business.

HON. MR. McDONALD: The answer is very simple. Freights today will not pay operating costs, without any reference at all to capital expenditure. It is not profitable, that is the whole story.

THE CHAIRMAN: If it were profitable would you still be building ships here?

HON. MR. McDONALD: Yes. Perhaps not on as large a scale as fifty years ago, because we would not have the same material.

THE CHAIRMAN: Where are the ship-building yards here?

HON. MR. McDONALD: There have not been any of late years, except the one I had myself at Cardigan. The last vessel we built there was in 1920, a 200-ton three-masted schooner. We built four in the three years previous to that; the largest was about 300 tons.

THE CHAIRMAN: Did these schooners do an inter-provincial trade?

HON. MR. McDONALD: They carried large produce in foreign business in the winter.

THE CHAIRMAN: I suppose it is the absence of that foreign business just now that makes it quite impossible?

HON. MR. McDONALD: It will not pay a schooner to carry it now, there are so many tramp steamers looking for business. Then there is the effect on foreign trade due to depreciation of foreign currency.

THE CHAIRMAN: Is that a change that you regard as temporary?

HON. MR. McDONALD: So far as the difficulty is concerned I regard it as a permanent thing. About the only business remaining now for the sailing trader is the lumber business and occasional traffic in fish to Spain, Portugal, Brazil or the West Indies.

THE CHAIRMAN: Is there much of this small craft building still going on in the rest of the Maritimes?

HON. MR. McDONALD: Just fishing schooners in Nova Scotia.

THE CHAIRMAN: That has nothing to do with the Federal Government?

HON. MR. McDONALD: It would be rather far-fetched to say that.

Mr. Wilfred Boulter, (re-called), submitted a statement showing the total export of potatoes from the 1925 crop by rail to be 1,945 cars, a total of 1,458,705 bushels. The Association also handled eleven thousand tons of fertilizer. The complaint of the shippers is that the railway and public works of Canada have not supplied the facilities for handling the increased crop and the fertilizer required must be saved. The present facilities are inadequate. The Summerside warehouse is not protected against the frost and it is too small for economical loading of potatoes and unloading of fertilizer. The floor is about eighteen inches below the level of the car floor and extra men are required when unloading from steamers. Mr. Boulter also referred to conditions at Charlottetown. The railway wharf has only one steamer berth. This warehouse is being altered and made frost-proof, and while fairly satisfactory the increase in trade will require enlargement in the near future.

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The Rottenness of the Customs Revelations Astounds all True Canadians