

of 2,000 pounds, and on wheat to Japanese ports, \$3.25 per ton. Conference rates from American Pacific ports to Hong Kong and Japan were \$3.50 per ton from March 15 to the middle of April, and after that date \$2.50 per ton. It must, however, be borne in mind that while the through rate is common to many western points the rates to Vancouver for ships other than those included in the conference are not subject to this condition, and range from 19½ cents per 100 pounds to 32 cents. An average of points from which wheat is carried must, therefore, be taken in order to reach comparative figures, and to that average 12½ cents must be added for handling charge at Vancouver. Mr. Senda appears to have calculated this average in arriving at the rail rate of \$4.50, stated as the charge to non-Conference ships.

COMBINATIONS OF SHIP OWNERS.

From what has been stated it will be seen that the minimum through rate is confined to steamers the property of companies who are in agreement with the Canadian railway companies, and firms that do not enjoy the privileged position of what are known as conference lines pay a higher rate of freight, amounting to approximately \$1 per ton on wheat, and shippers are thereby prevented (so far as that preference will prevent them) from shipping by steamers not in the conference. How far the interests of the producer and the consumer are prejudicially affected by the system of what is known as conferences, and which is gradually being extended to co-ov. an carriage all over the world, is a matter of endless controversy. In effect, it means a combination of ship owners to fix rates, and in some cases a combination of ship owners and railways for that purpose, and to provide that competition shall be discouraged by means of higher rates which apply only to ships not within the conference.

It is argued on behalf of the ship owner that this principle is not unfair to the shipper and that the rates charged by the conference are not higher than are necessary, in view of the cost of maintaining the desired service with fast modern steamers, having fixed dates of sailing and with uniform and constant rates of freight. It is constantly said that shipping companies do not earn adequate dividends and that the additional cost of the modern steamer must be borne by larger freight rates. Both statements are open to question and with regard to the latter, investigation would probably prove that the modern steamer carries freight at a low cost notwithstanding the increased cost of building the vessel. It is common knowledge that the luxurious passenger accommodation accounts for an important proportion of the money spent in building modern ships and this has no relation to freight rates. Only persons possessing a very intimate acquaintance with the subject are competent to pronounce an opinion of any value upon it, and it may be better to submit the facts in as concrete a form as possible rather than to deal with so highly controversial a matter in a report such as this. Only those whose business it is to deal with freight tables, or whose duty has brought them in contact with the subject can realize their extraordinary complication. The writer of this report does not feel free to express an opinion or do more than state the facts, as far as he has been able to master them.

Conclusion.

It is hoped that the special reports upon China and Japan, now concluded, may be considered as full of promise with regard to the magnitude of the coming trade on the Pacific. It must be remembered that a population of nearly 500,000,000 people in the Orient face the Western shores of Canada, and that signs are not wanting of a movement in this vast population which, for weal or woe, will profoundly affect the interests of the nations, Canada among them, perhaps in special degree because of her Pacific seaboard. That democratic influences will increase the purchasing power of both the Chinese and Japanese and will, thereby, create a great market for all kinds of commodities does not appear open to question and is an article of faith