

FREIGHT RATES BY WATER

Canadian and United States Average Returns—Waterborne Wheat—Factors and Comparisons

The plans of the department of railways and canals for ascertaining the average rate per ton per mile on the inland waters of Canada involved the recording of the freight rates on each ship's report filed at the various canal offices. As an alternative those operators who wished to do so were permitted to send a monthly statement to Ottawa of tonnage, mileage and gross freight earnings. Ship owners were also required to send in at the close of the season a report showing:—Total tons carried, total ton mileage of loaded vessels, gross receipts from freight. On the whole, and having regard to the difficulties which are inseparable from the inauguration of new undertakings of that character, the results obtained during the past year the first of the operations of the plans were satisfactory. For example, out of a net Canadian tonnage of 6,942,278, definite information was received with regard to the mileage and freight earnings on 6,292,661 tons. St. Peters and St. Andrews canals were left out of the scheme for the year 1912, and they accounted for 170,358 tons; so that the actual net Canadian tonnage affected was 6,771,920. Returns were thus received in relation to 93 per cent. of Canadian business. These returns covered all classes of traffic, and it might reasonably be assumed that had every ton been accounted for, the result would not have been altered.

Dominion's Share of Traffic.

The Canadian returns applied to 6,292,661 tons of freight, to 3,286,187,160 ton miles, and to gross freight earnings amounting to \$6,378,893.43.

From United States shipping companies reports were received covering 26,030,661 tons, out of a total net tonnage of 36,840,812. These reports had reference to all classes of commodities, and were thoroughly typical of the whole business on inland waters of Canada. It may be confidently asserted that absolutely complete returns would not have materially affected the final calculation of the average rate per ton per mile. The number of ton miles accounted for amounted to 21,799,392,809, and the gross earnings on United States freight to \$14,617,368.60.

Using the factors which have been indicated—the ton mileage and the gross earnings from freight—the results are as follows:—

Canadian traffic:—

Average rate per ton 91.04 cents.
" " per mile 0.194 "

United States traffic:—

Average rate per ton 50.62 cents.
" " per mile 0.067 "

Without an explanation, the difference between the Canadian and United States rate per ton per mile will not be understood. Of the 36,840,812 tons of United States traffic through the canals of Canada in 1912, no less than 31,134,251 tons, or nearly 85 per cent., consisted of iron ore. Upbound coal accounted for a further 2,945,441 tons, or 8 per cent. In fact, if iron and coal were eliminated from the total account, the volume of Canadian traffic would exceed that of the United States.

Iron, Coal and Wheat.

The transportation of iron ore and coal is a special feature of the trade of the Great Lakes. Most of the ore is carried by the vessels of the Pittsburgh Steamship Company, and the rate in 1912 was 55 cents per ton from the head of Lake Superior to ports on Lake Erie. These vessels are owned and operated by the iron interests of Pittsburgh, and do not carry other commodities than ore and coal—ore down and coal up. For this upbound coal, without regard to ownership of the vessels, the rate last year was 30 cents per ton. Thus, while wheat was being carried to Buffalo at as high a rate as 2.616 cents per ton per mile, iron ore was passing over the same route at .063. Coal was being moved upward at the still lower rate of .046 per ton per mile. In a word, any analysis of freight rates on the inland waters of Canada would be misleading which failed to recognize, and to separate for special treatment, this overwhelming movement of ore and coal under the conditions indicated.

Special care was taken during the year to ascertain with accuracy the rates which were charged on waterborne wheat. The facts in that regard were carefully tabulated. They yielded the following results:—

Fort William to Buffalo, per ton per mile, .103 cent; per bushel, 2.863 cent.

Fort William to Georgian Bay, per ton per mile, .163 cent; per bushel, 2.629 cent.

Fort William to other Canadian ports, per ton per mile, .115 cent; per bushel, 2.384 cent.

Fort William to Montreal, per ton per mile, .160 cent; per bushel, 5.774 cent.

The lowest rate prevailed in May, and the highest in December.

There was not any wheat actually brought down from Fort William to Montreal in December; and the rates are for November. The largest volume of wheat moved between Fort William and Montreal occurred in October, when the average rates were .184 per ton mile and 6.149 cents per bushel. For the same month the rates from Fort William to Buffalo were .084 per ton per mile, and 2.259 cents per bushel. The maximum rate of the season between Fort William and Montreal was in effect in November, and was 8 cents per bushel.

To measure the conditions which influenced the movement of Canadian wheat to Montreal or Buffalo, it is necessary to know the freight rate on wheat from Buffalo to the Atlantic seaboard during 1912. It was officially ascertained from the Buffalo chamber of commerce, under date of 14th February, 1913, that these rates per bushel were: May to end of September, on lake wheat for export, 4½ cents; in October 5½ cents; after fifteenth November, six cents.

Average rates on Different Routes.

Thus, the all water rate from Fort William to Montreal in May was 5.444 cents per bushel, and the combined water and rail rate from Fort William to the American seaboard (say New York) was 7.219 cents. In November, the water rate from Fort William to Montreal was 7.129 cents per bushel, and the combined water and rail rate from Fort William to the United States seaboard, via Buffalo, was 8.616 cents. The apparent difference in favor of Montreal was 1.765 cents per bushel in May, and 1.487 cents in November, so far as the rates of freight were concerned.

There remains to be presented the facts with respect to traffic by way of Fort William and Georgian Bay ports. The average rate for the season was 2.629 cents per bushel. It was officially ascertained that the rail rates from Georgian Bay to Montreal were as follows:—

	Per Bushel.
Canadian Pacific Railway	6 cents.
Grand Trunk Railway, January 1st to June 30th	5 cents.
Grand Trunk Railway, July 1st to September 30th	4 cents.
Grand Trunk Railway, October 1st to December 31st	5 cents.

Speaking broadly, it might be assumed that the combined water and rail rate is adjusted to practically equal the all-water rate.

Among the causes which operate to divert a large percentage of Canadian wheat from Canadian to United States channels despite the lower transportation cost are:—The availability of ocean tonnage at New York, the consideration of time in making delivery at foreign ports, and the rates of marine insurance. It is obvious that these causes must have continued to operate effectively in 1912.

How do Rates Compare?

The question is frequently, and quite naturally, asked: How do freight rates by water compare with freight rates by rail? This question will never be fully and satisfactorily answered until carriers by water are required to report in precisely the way railways are asked to do.

This year, for the first time, accurate information has been obtained with regard to the average rate per ton per mile on the waterborne traffic of the Great Lakes. That rate, so far as Canadian business was concerned, was found to be .104 cent. It is pointed out, however, that this rate does not take cognizance of the special conditions under which traffic on the inland waters of Canada is conducted, and that the contribution of government should be taken into the reckoning. There is pertinency in such a contention. It would seem, at all events, to be proper to include the interest charge on the capital cost of the canals and the annual outlay by government for up-keep. The facts in that regard are definitely known. This plan omits all expenditures for harbors, light-houses, dredging, buoying, etc., which might be included; but, whether they should be included or not, the matter is ruled out for the time being by reason of the fact that the sum of such expenditures is not definitely known.

The fire chief should be a fire prevention enthusiast; should take just pride in the low fire loss of his city, and should ever be ready to aid in the removal of fire dangers. He should frequently inspect the schools and other public buildings within his bailiwick and cause to be remedied all conditions liable to cause fires. A trip of inspection at this time through the city or town, in company with the local health officer, to urge upon citizens the necessity of removing all rubbish, rags, waste paper, packing materials, straw, banking around buildings, debris, filth, and offal, in fact, all things dangerous to health or liable to cause fire, will accomplish much good.—A. Lindback, fire commissioner of Manitoba.