

APPENDIX No. 3

"(5) This uncertainty affords the opportunity for the operations of the speculator.

"(6) These operations result in an economic injury to the producer and to the consumer.

"(7) The remedy should be equitable rates, terms and conditions fixed for stated times, and made known in advance.

"(8) This should be done through an international Commerce Commission."

Your Committee, in view of the foregoing and of the evidence adduced before them and referred to in a previous interim report, are of the opinion that action is desirable to control shipping rings or conferences.

It is suggested that the Canadian representatives in attendance at the next meeting of the International Institute of Agriculture should be given authority to see that the matter is thoroughly discussed, in order to discover whether an international system of control is feasible through such agency.

In view of the fact that a very great deal of the shipping coming to Canadian ports is British shipping, concurrent action by the British authorities is respectfully suggested. The matter might well be made a subject for discussion and consideration at the next Imperial Economic Conference.

Meanwhile it would appear wise to recommend that the Government through one of its departments—we suggest the Department of Trade and Commerce—should entertain complaints from shippers of unfair or oppressive treatment by ocean carriers and should hold investigations publicly or privately into such complaints.

Publicity is of itself both a deterrent to, and in a measure, curative of, unfair practices. These, like certain unwholesome growths, best flourish in the dark. It would be hoped that by action of the sort suggested possible abuses in a measure might be obviated through the encouragement that such action would give to the steamship lines that desire to act fairly with the Canadian public and the discouragement which such action would afford to those companies which operate on different lines.

Steamship companies would not regard with equanimity the holding of an investigation and the letting in of light upon any unfairness in rates charged, and the fact that such investigations are facilitated would first of all tend to deter conference lines from establishing unfair rates, and secondly encourage a line which unwillingly had adopted unfair rates, to break away from the conference and adopt rates of its own.

There is, however, another method which we would earnestly recommend to the careful consideration of the Government.

The Canadian people are the owners of 67 ships. Some of these are of fair though not large size. Your Committee suggest that a certain number of these ships might be selected to be operated in conjunction with our National Railway Lines, that the freight rates on such steamers could be established on the cost of carriage plus a reasonable profit based upon the real, as opposed to the cost, value of the ships. If these ships are of the size and type which can be economically and efficiently run in conjunction with the National Railways (and on these points your Committee have taken no evidence) the following desirable objects would be obtained: The National Railways would be enabled to grant through Bills of Lading on a transportation system by land and by water altogether under their own control, the Canadian people would be able to obtain transportation facilities at reasonable and known rates; the service thus given on the ocean would tend to maintain rates on a reasonable basis and would act as a deterrent to the charging of unreasonable rates by other lines and finally the knowledge obtained by the Government, as to the actual cost of ocean transportation, would aid it in determining whether rates charged by other lines are fair and reasonable.