

Hon. Mr. WILLOUGHBY: I mean, there is not a fixed rate on the tonnage?

Mr. HARLING: No; the tonnage pays an annual premium, and the regular line is insured for this premium, but the tramp pays a floating rate.

Hon. Mr. THOMPSON: Then the tramp steamer has a shrinkage after the 1st of August?

Mr. HARLING: It has to obtain an extra rate of freight to cover the extra insurance. Now, there is another point; the owner of a tramp steamer is not obliged to come to Montreal for his cargo; he can go anywhere wherever he can get the best result; but we have to pay, as a rule, threepence to sixpence per quarter more from Montreal for tramp steamers than we could obtain the same boat from New York, on account of the extra insurance.

Hon. Mr. CASGRAIN: You might say what a quarter is?

Mr. HARLING: Quarter is 480 pounds; that is, on the quantity of grain that is booked up—a bushel of 60 pounds or a quarter of 480 pounds. Of course that extra insurance is a tax against our steamers. Not only have we that difficulty, but an owner will not send his boat willingly to Montreal for just sufficient to cover, because he has to assume risk of the navigation of his vessel. If his vessel meets with an accident the Underwriter will pay him for the cost of his repairs; he can recover that, but he cannot recover his loss of time, which in good times might be a very important item. So that he requires to get something more than the actual outlay of his steamer.

Hon. Mr. NICHOLLS: The companies do not insure ships and cargoes the same as they do industries, so as to cover for use and occupation? In other words you cannot insure for loss of time from accidents?

Mr. HARLING: No.

Hon. Mr. NICHOLLS: In any industrial plant if you have a fire you can recover for use and occupation if you have that kind of a policy.

Mr. HARLING: That is never done in the shipping business; the policy won't cover that. Of course the insurance on the cargo is paid by the shippers. Export cargo is on rather a different basis; it is figured on the through rate; everybody figures for export freight on the delivered basis on the other side. The shipper in Chicago or Winnipeg, in shipping grain naturally says, "I can ship it via Montreal for so much," and if Montreal is the cheapest it gets the business. One-sixty-fourth of a cent a bushel was sufficient to divert cargo from one port to another in pre-war times.

Hon. Mr. McCALL: In regard to the inland rates to Montreal and New York it would be worth while to know how the question of terminal charges comes in. Is New York favourably situated as compared to Montreal in the matter of terminal charges—the transshipping of the cargo to the vessel?

Mr. HARLING: It is more favourable in Montreal than in New York. We have better facilities in Montreal for handling grain than they have in New York.

Hon. Mr. WEBSTER: And cheap?

Mr. HARLING: And as cheap.

Hon. Mr. McCALL: Is the terminal charge absorbed in the railway rate?

Mr. HARLING: The shipper buying this grain in Winnipeg, has to assume, first of all, the cost of bringing it to the port; then he has to assume the cost of the elevation in the elevator, including the insurance; and then he has to add to that the ocean freight. The cargo pays the insurance; it is paid through the man who buys the grain; he must add so much for freight, so much for terminals, so much for insurance, and so much for the initial freight.