

Ocean Shipping Rates

Mr. DUFF: The only reason that the tariff is not lower is that the hon. member for Springfield and I are only two members of this House. If we had the full power, I think we would lower the tariff.

The Imperial conference which met to discuss this important matter made a summary of their findings, and in order to approach this matter properly and get all the light on it we possibly can, it might be as well for me to place their findings on Hansard. This is what the Royal Commission on Shipping say in the conclusion of their report:

(1) The conference system with the deferred rebate—the natural evolution of a highly organized trade dealing with customers for the most part scattered or disorganized—has created on almost all the chief ocean routes a monopoly, the limitations upon which are in many cases illusory, and which generally tend to decline;

(2) The system was introduced in the first instance with the object of raising rates or preventing their fall and diminishing competition;

(3) It has been successful in raising or keeping up rates;

(4) The public have, as a rule, to pay higher rates of freight than they would pay in an open market;

(5) The system has been injurious to "tramps," the strongest element in the British mercantile marine and it leads as to them to waste and to higher rates of freight;

(6) The system tends to waste in various other directions owing to the manner in which the rings are constituted;

(7) There is no satisfactory evidence that the saving in cost, if there be any, under the system of shipping rings exceeds the waste which is due to that system;

(8) The system tends to inflate the amount of tonnage and consequently the amount of capital invested upon which interest has to be paid;

(9) It has diminished or tends to diminish the ports of sailing;

(10) It gives a country such as the United States, in which the system is illegal, an advantage as compared with the United Kingdom;

(11) It has caused in the case of South Africa diversion of British trade;

(12) There is no evidence that it has appreciably increased regularity of sailing or greatly improved the quality of steamers; but it has tended to bring about equality and stability of rates.

A good deal of what is said in that report is correct, and I have often wondered why the steamship men themselves, after that report was made by such a prominent commission, did not take steps to show the public that there was not very much, if anything, in what the report set forth.

Mr. CALDWELL: What commission made that report?

Mr. DUFF: The British government—the Report of the Royal Commission on Shipping in 1909. I notice—and I say this not at all in a spirit of criticism—that the greatest criticism of this resolution so far has come from my friends of the official opposition. I notice also that the complaints which have come from people in this country have come

[Mr. Duff.]

from the friends of the official opposition, because if you will read the correspondence which has been tabled in the last few days, or if you go to the Department of Trade and Commerce, you will find that there are—shall I say—hundreds of letters there from prominent manufacturers from all parts of Canada complaining about excessive freight rates. It might be interesting, perhaps, to make a few comments—and I will be as short as I can—in order to show that the government has certainly done the right and proper thing in taking cognizance of all those complaints which have been made by prominent manufacturers and shipping men in this country, and that nobody should blame the government for endeavouring to find a way out to regulate and to make freight rates on the north Atlantic lines as reasonable as it is proper to make them. This is a letter from a prominent manufacturer:

At the present time, as you will see by the ocean bill of lading, we are paying 30 cents per cubic foot or \$12 per ton of 40 cubic feet, on organs or pianos going to Liverpool. In 1910 we paid on similar instruments, six shillings and ninepence per ton of 40 cubic feet, which is practically \$1.50 per ton of 40 cubic feet, as you will also see by the enclosed ocean bill of lading. . . .

In 1910 and 1911 and for many preceding years, we were shipping a carload of instruments to Liverpool every week. The car would contain eighteen instruments. To-day we nor anyone else ship a carload in a year, simply because the freight rates, added to the price that we must get for our instruments, brings them up to the price of what they can purchase a cheap piano for in England, of German or English make.

Now listen to this:

If I can be of any further service to you, do not hesitate to ask me, as I feel that the steamship companies, including the Canadian merchant marine, are only preventing trade coming to them by demanding such exorbitant freight rates, and I sometimes think that the Canadian merchant marine are the worst sinners of the lot.

For instance, we had a number of instruments going to the West Indies some weeks ago, and have also a shipment of five going this week, and we found that the Canadian merchant marine rates were much higher than what we were quoted from Pickford & Black of Halifax, so instead of sending the instruments to Montreal, we had to send them to Halifax and the amount saved on the ocean freight more than paid the difference on the inland freight between Montreal and Halifax.

When prominent business men complain so bitterly about the rates that are being charged, I think it is only proper that this government should endeavour to do something to regulate those rates and to provide cheaper carriage for shippers. I could cite a number of other instances but I do not think it is necessary.

I realize, of course, that the steamship companies cannot carry freight to-day at as low a rate as they could before the war, but that is no reason why in March, 1924, there should