

ROYAL COMMISSION AT QUEBEC

Paper Makers, Shippers and Agricultural Interests Tell of Resources and Developments of Province of Quebec

"Help us in the development of this great country, help us to direct its trade through our own ports, send us your steamships, help us to populate our great interior with men who are or will become good British subjects," said Mr. J. G. Scott, president of the Quebec board of trade, when giving evidence before the Dominions Royal Commission.

Mr. Scott favored the system of government control for at least one transcontinental railway line in Canada. It tended to keep the freight rates down to the proper level. For this reason he thought that it was better for the government to have taken over the National Transcontinental Railway than for the Grand Trunk to have done so. A considerable reduction had been made on rates from the north-west, which was a decided advantage to western farmers. Quebec was the shortest route from the west to the seaboard; and given efficient, economic terminal facilities, the country's export and import trade should be attracted in this direction. He would like to see arrangements made that would induce faster steamships to come to Quebec. This would involve better insurance rates and possibly a liberal government subsidy.

Bills of Lading.

Mr. O. W. Bedard, vice-president of the board of trade, in relation to bills of lading, drew the attention of the commission to the "London clause," written in all the out-going bills of lading, which, he said, is a discrimination against the Canadian seaports, inasmuch as the United States shippers had this same clause taken out of United States bills of lading in 1902, therefore the Canadian shippers selling their goods f.o.b. English seaport have to pay that extra charge which the United States have not.

Mr. G. B. Ramsey considered the bill of lading at present in use was a fairly satisfactory and reasonable one. He contended that the claim of the ship owners to decide the conditions upon which they were prepared to enter the market and sell transportation appeared to him to be on as solid ground as the right of any manufacturer to state to a buyer the conditions upon which he would sell his goods, and the class of goods he was prepared to offer at a given price.

Marine Insurance.

Mr. J. B. Morissette said that the marine insurance between Quebec and Liverpool was 10 per cent. lower than that between Montreal and Liverpool. The insurance from New York to Great Britain was 12 per cent., while from Quebec it was 22½ per cent. Mr. Morissette explained that the navigation risk was greater from Quebec. The commissioners asked if there was any comparative statement of the loss between New York and Quebec, to which Mr. Morissette could not reply, but stated that the rates were made by the head offices. However, he did not know whether they kept track of the losses by the various routes.

It has been said that the government should take over part of the insurance risks of the St. Lawrence, and regulate the rates in consequence, was a comment of the commission.

Imports and Shipping.

Mr. Ramsey also presented a statement of the quantity and value of merchandise imported into Quebec for the year 1915, which showed that the leading classes of imports were: First, iron and steel, manufactured or not, of which only 7 per cent. came from Great Britain and 93 per cent. from the United States; second, cotton manufactures, of which 67 per cent. came from Great Britain and 31 per cent. from the United States; third, brass and copper manufactures, of which 10 per cent. came from Great Britain, and 90 per cent. from the United States; fourth, manufactures of leather, of which 5 per cent. came from Great Britain and 92 per cent. from United States; fifth, wool fabrics of all kinds, of which 93 per cent. came from Great Britain and 6 per cent. from the United States; and a number of other items.

He also said that the number of steamers calling at Quebec during the present season were only 169, exclusive of transports and coasting steamers, as compared with 382 during the season of 1913, and instead of 12 regular lines being represented in the sailings, there were only seven at

present. When conditions became normal, the trade with the mother country would assume larger proportions than ever, the reasons for this being the very strong and practically universal sentiment in favor of British trade which he had found to exist among importers in Quebec; second, that freight rates, were as a rule, in normal times, lower from the United Kingdom than from the sources of supply in the United States; third, that the duty gave a decided advantage to British exporters.

Mr. Joseph Picard testified as to the manufacture of tobacco. He said his company handled about 2,000,000 pounds a year, including domestic and imported material. A considerable quantity of raw leaf came from Ontario and a good deal was grown in Quebec province. The consumption of smoking tobacco was on the increase. There were six or seven large general manufacturers of the weed in Canada and many small firms that manufactured cigars only.

Importance of Paper Industry.

Mr. Frederick Sabbaton, assistant manager of the Laurentide Paper and Pulp Company, Grand Mere, stated that his company possessed 25,000 miles of freehold lands, and practically made nothing but newsprint.

There were 10 to 15 large mills producing newsprint in Canada. The Laurentide Company made 200 tons of newsprint and 50 tons of cardboard per day. They have not changed their output for six years.

The cost of getting out logs, after the war broke out, was not materially increased as there was a surplus of labor, but the increased cost of labor was now approximately 23 per cent. This was the cost of carrying the product of the mill, but in the manufacturing end, the cost of labor had increased 18 per cent. since the 1st of May last. There was an increase in the materials used in the making of newsprint of about 30 per cent. The materials used in a ton of paper average about 40 per cent. of the entire cost.

The price of paper before the war was a trifle under \$40 per ton. The ruling price mentioned to go into force shortly is \$60 per ton. The huge amount of paper consumed in the United States will be a determining factor at this point. The demand is greater than the production.

For the first nine months of this year the Laurentide Paper Company shipped paper as follows: 7 per cent. to New Zealand, 3 per cent. to Australia, 23 per cent. to Canada, 50 per cent. to the United States, 5 per cent. to Great Britain, 9 per cent. to Africa and 3 per cent. to miscellaneous countries.

Where Paper Goes.

The three great paper consuming countries of the world are Great Britain, the United States and Canada, and the greatest producing countries are Canada, Scandinavia and the United States.

Mr. J. M. McCarthy, representing Messrs. Price Brothers, Limited, paper manufacturers, said the price of paper before the war was \$35 to \$36 per ton at the mills. They turned out 52,000 tons of newsprint per annum before the war, and about 58,000 tons now. The price now at the mill was \$37.50 or \$37.60 net. But the company was not looking for new business. They were only able to take care of the old customers, who were being supplied at old contract prices. Witness could not say what the real market price was, but thought \$60 would be a fair price. Only about 6 or 7 per cent. of the company's output went to Canadian consumers, the balance went to the United States. Prices in the United States usually regulated the price of the exported product.

Prohibit Breeding Cattle?

That the time is opportune for the federal government to pass an order-in-council prohibiting the sale of breeding cattle from the Dominion to the United States, and that farmers should have a special minimum rate on railways on transportation of farm implements, malt, manure, etc., was suggested by Hon. J. E. Caron, provincial minister of agriculture.

Mr. G. E. Marquis, head of the provincial bureau of statistics, was of the opinion that uniformity of weights and measures in all parts of the British empire would facilitate statistical exchanges and comparisons and that the calendar year was the ideal statistical year.

An empire trade mark was favored by various witnesses. Other evidence was given with special reference to Quebec's fisheries, mineral resources, imperial cable service, etc.