

APPENDIX No. 5

to get out a tariff in very short order, when we decided to inaugurate the Inter-Coastal Service, and we found we had some rates somewhat out of line, but we had several discussions with the trade in the east, and also on the Pacific Coast, and I think that the trade now is quite satisfied that our rates have been put on a proper basis by the new tariff which has been issued within the last few days, so I think there will be no further difficulty on that score. At the present time, the Canadian ships are under no disability with respect to rates to Vancouver as compared with New York. As a matter of fact in so far as British Columbia is concerned, it will be a definite advantage in rates, because as a rule there is a differential rate charged by American lines from Seattle, which would make the rate to New York even higher than our rate to Montreal.

The WITNESS: In other words, the rate position is satisfactory?

Mr. DOHERTY: I have assurances from the greater part of the companies.

Mr. LOGAN: I think that is a very cheerful statement, and should be made public. A man told me that the rates from New York to the Pacific were only about one-third of what they were in Canada. Of course, that is six months ago, and the position may have changed. I think this statement clears it up.

The CHAIRMAN: Does that complete that part of your programme?

By Sir Henry Drayton:

Q. I would just like a little information, Sir Henry, in connection with the services to the West Indies; I suppose the idea is to have a dual service.—A. I do not know what that would be.

Mr. DOHERTY: No, I think the general idea was to have a service to one or two of the large islands, and have a separate service to the Westward group.

By Sir Henry Drayton:

Q. That is two separate services. I would very much like to see a large addition to the West Indies trade, but there are difficulties in the way. Has the question been at all considered in connection with the United Fruit Company? It is not merely a matter of competition, but that company practically controls production.—A. Yes, they have their own banana farms and all that sort of thing.

Q. Yes, and the independant producer is almost out of business. Has anything been done, or could anything be done? It seems to me to be the logical way of proceeding to make an arrangement with the United Fruit Company, under which a certain amount of that banana traffic would be diverted to Canada, either by your boats or by their own. Our great effort is to get a trade with Canada, and when your competitors not only have the boats but control the trade, we have a dual thing to look into in considering the question.—A. We have in the West Indies today a representative who was sent down there to make an exhaustive study of the whole position and one of the things to which his attention was called was that very fact, that perhaps some of our possible competitors controlled the production, and we should have to go to the bottom of it to reach any conclusion.

Q. I know personally that in Jamaica the United Fruit Company is the whole thing, and the Atlantic Fruit Company which has started there is, I think, controlled by this company and is only a subsidiary. They only allow it to do business there so they will not be accused of having a monopoly.—A. What you mean is that it is no good going into the trade and building vessels if we cannot get the traffic?

Q. Yes, we certainly should not put on boats unless we are sure of getting cargoes. I have had all kinds of figures given me as to the possible movement into Canada. I have had figures given me all the way from two million sticks to nine million sticks of bananas. Has your Department accurate information