

Q. In other words, the railway or steamship company can grant you a rate through from Winnipeg to Liverpool at 50 cents or 55 cents a bushel, assuming that the rate from Winnipeg to Quebec is 30 cents, including terminal charges, and 20 cents a bushel from there.—A. If the shipper would realize the advantage that he would gain by that it would be tremendous.

Q. Can you suggest why they won't do that?—A. The reason is this. The man buying his grain in Winnipeg applies for a through bill of lading, making it payable in Liverpool, and instead of paying his freight to Quebec and then the freight to Liverpool he would calculate and collect freight in Liverpool. If he would make the through bill of lading the payment would be made in Liverpool for freight against the payment of his grain, and he would not be out the cost of transportation from Winnipeg to Quebec.

Q. Why will they make a through bill of lading from Liverpool to Winnipeg going west, and not grant a through bill of lading going in the opposite direction?—There must be some reason?—A. It is rather complicated, but I think I can explain it in a few words. Our regular line steamers from Liverpool have always been under the regulations of the North Atlantic Steamship Conference; and as long as I can remember, 30 or 40 years, all the lines of steamers have been taking their freight from Liverpool, London, Glasgow or the continent, and the freight has been fixed by the North Atlantic Conference. That Conference consists not only of the steamers coming to Canada but the steamers coming to all the American ports, I might say all the west coast ports—that is to the east coast of America, and competing ports. Naturally the terms and the rates are fixed by the people who have the biggest pull. Now, take the Cunards with all their ramifications, or the International Mercantile Marine naturally the officials of that line will say, "we want a rate of freight to so and so," and they fix that rate of freight not in the interest of their lines that operates to Canada, but in the interest of their lines that run to the United States—because where they run one steamer to Canada they run three or four to the United States. That has always been the case and the Conference rates have always been fixed on the other side, and the shipper can either pay that rate because he cannot do anything else; there is no question of competition. These rates are always fixed on the basis of the North Atlantic Conference. When the C.P.R. came into existence and took over the line that I was operating they said, "we are not going into the North Atlantic Conference," but inside of twelve months they were in the Conference, and they have been in it ever since. We used to call the rates, as fixed by the Conference, the "Conference Bible," because the rates are fixed. That tariff naturally does not favour Montreal as a terminal port, if the intersets of New York or Boston or Philadelphia are paramount. The lines never have recognized Montreal if the interests of the ports of New York were paramount. Now, it must be paramount, because you have the Reford line to-day—which is the Agency of the Cunard line—that has only one or two lines out of Montreal, but they are subservient to New York and Boston, which are infinitely more important to the Cunard Line. Take the C.P.R., which made an arrangement with the Conference whereby they obtained a certain guaranteed number of passengers from the Continent at a fixed rate rather than compete. Now, in order that they could get 1,000 passengers at the then going rate, they said, "Alright, the other is subservient, and this is more important to us, we will agree to whatever the Conference fixes." They did not fix the rate, but they fixed their own through rates to western points, which was far more important. If they had a cargo for Toronto or Hamilton or Winnipeg they would take that cargo and give the western men the rate of freight in competition, because they wanted the long haul, and the western people have benefited to some extent on that basis. It is not all a disadvantage, but sometimes—and very often—it works against a competition for New York or Boston; but the rates are always fixed on the Conference basis.