

Buffalo because the railways out of Buffalo would cut under our fixed rates and take the business. If we could have a tariff flexible enough to allow us to reduce our rates at a minute's notice, and let the Commission know later on that we had reduced it, it might not be so bad.

Mr. ARMSTRONG (Chairman).—Are we to understand that you wish to have the privilege of increasing the rate from four and a half to seven cents on a day's notice?

Mr. HENDERSON.—Yes, and from two and a half to seven cents and as high as eight cents. I have seen freight as high as ten cents from the head of the lakes to Montreal. Only a few years ago we were carrying it at four cents.

Senator BOSTOCK.—The rates could not jump that much in one day.

Mr. HENDERSON.—No, but at the same time there has to be the flexibility of fractions of a cent in order to do business, and it is not business that we can sidetrack from one day to another.

Mr. ARMSTRONG, (Chairman).—You have read the discussion in the House of Commons which took up two days this session calling attention to the freight rates of carrying grain from the Northwest. You say the speakers were not justified in making the statements they did?

Mr. HENDERSON.—I am not quite sure what statements they made.

Mr. ARMSTRONG, (Chairman).—That the freights were doubled inside of a day or two on grain, and the report of the Saskatchewan Commission appointed for the investigation of freight rates on our inland waters was similar to those reports tabled before Parliament.

Mr. HENDERSON.—Our rates advance or decline according to supply and demand. That is absolutely the case. The law of supply and demand governs the rate to-day, and we would leave that law to govern the rates, rather than a hard and fast rule fixed by any commission.

Mr. W. F. MACLEAN, M.P.—How does that work out with the railway? Is there a law governing them?

Mr. HENDERSON.—Yes, there is a law governing them, and that is something I am not very clear on. They had an 'At-and-east' rate Georgian Bay to Montreal 5 cents a bushel, but all of a sudden that was reduced from 5 cents to three and a quarter.

Mr. NESBITT, M.P.—There would be no appeal in that case?

Mr. HENDERSON.—No, you don't hear very much when there is a low freight rate. We object to the restrictions that would be put upon us if we were put under the commission.

Mr. NESBITT, M.P.—That is with respect to the high rate and not the low rate?

Mr. HENDERSON.—Both. If you issue a tariff we have to adhere to that tariff and have to give certain notice before we can alter it up or down. I understand that if a tariff is issued at a certain rate which is approved by the Railway Board we have to adhere to that tariff, we could not reduce it.

Mr. ARMSTRONG, (Chairman).—No.

Senator LOUGHEED.—What do you say as to ten days' notice to reduce and thirty days' notice to increase?

Mr. HENDERSON.—I have reduced rates in ten seconds. I have to say yes or no.

Senator LOUGHEED.—Will you draw a distinction between your boats and railway boats. The law is in operation with regard to boats owned by railroads. What would be the distinction?

Mr. HENDERSON.—The railway owned boats have traffic pouring into them every day at the railway terminals and they have control of it. My opinion is that if this