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by express companies in the United States attached to companies which are free from railway control so that the situation is just practically reversed over the Canadian situation.

Q. Would you say that the base rate of express in the United States would be a fair criterion for the formation of a similar rate in Canada, having regard to the fact that in Canada the railway companies own the express companies, and that in the United States the express companies are owned independently of the railways?—A. Mr. Chairman, I have searched the records of the Interstate Commerce Commission—and they are all in my hands since the first report they issued—this is the first report I have brought with me.

Q. For what year?—A. For the year ending 30th June, 1909, and I have not found any statement which definitely supports the statement made to you here by Mr. Stout, I understand. I do not find any fixed base rate laid down by the Interstate Commerce Commission. Nor do I know that a base rate was accepted by the Railway Commission of Canada.

*By Mr. Sinclair:*

Q. What do you mean by "base rate"?—A. I understand that Mr. Stout said that a base rate acceptable as a fair rate for express companies was twice the first-class freight rate, plus a charge of 25 cents.

*By Mr. Loggie:*

Q. Plus a charge of 25 cents per hundred pounds?—A. As the rates are quoted ordinarily on the one hundred-pound basis, I assumed that Mr. Stout referred to the hundred-pound rate. I have felt it to be part of my duty, Mr. Chairman, to study, as far as information is available, this matter of express rates, as apart from express tariffs, with which I am not familiar; and I cannot find any fixed law laid down either by express companies or by any investigating tribunal; and I frankly feel that no such law could be laid down.

*By Mr. Sinclair:*

Q. It would be common to all the express companies in the United States?—A. I mean this, Mr. Sinclair, that in answering the question: What is a fair express rate between two given points, that it is a thing governed entirely by the facts, not particularly to be measured by any standard of rates. While we are on this question, I think I could quote to you, as bearing upon your investigation here, a statement made in the first report relating to express companies in the United States by the Interstate Commerce Commission; and the conclusion here is so obvious that I think it ought to be on your records:—

"In considering the operating expenses of an express company, therefore, the cost of transportation may be largely eliminated, this being covered, so far as the express company is concerned, by the amounts which it pays to the carriers under its contracts. The operating expenses of an express company are the expenses of collection and delivery, the salaries and expenses of train employees, who safeguard the goods in transit and handle them en route; the cost of reloading at transfer points; the payments for loss and damage; the expense of maintenance, and general expenses. A moment's consideration of these items makes it evident that the expense incurred by an express company does not materially increase in proportion to the distance the consignment is carried."

And I hold, Mr. Chairman, that this is self-evident and perfectly obvious.

Mr. J. L. PAYNE.