WESTERN FREIGHT RATES CASE

Government Expert Says His Figures Are Not Intended To Be Absolute

That a government should be in a position to prevent ruinous competition by allowing no extensions without approval, was the attitude taken by Mr. J. P. Muller, government expert in the western freight rates case, being heard at Ottawa.

As to the method he recommended the railway board to adopt in fixing freight rates, in the first place, he considered the Canadian Pacific Railway, as the only standard in the West, should be accepted as being as near perfection for present requirements as possible, and that the Canadian Northern should get enough in the way of rates to enable it to reach the Canadian Pacific standard. This is a broad way of summarizing Mr. Muller's remarks in this regard. The rate, as Mr. Muller would fix it, would cover costs of operation, provide a percentage to take care of capital investment and a guarantee fund for rainy days, in the ratio of 4 and 2 per cent. respectively. In the present condition of the money market he thought these proportions were reasonable, but if the money rate should rise it would be necessary to add to the allowance for a guarantee fund. Mr. Muller afterwards made it clear, however, that he did not propose a limitation of railroad profits to six per cent., but was rather indicating the ratio.

Fixing Western Rates.

The question whether rates should be fixed in the Western provinces on the assumption of a sufficient existing railway mileage to enable the grain crop to be properly carried and afford facilities for future settlement, or whether rates should be fixed on a basis such as would encourage future development, also elicited some interesting evidence. In explaining his statements in his exhibit in this connection, Mr. Muller stated: "I have in mind that existing rates should be increased to provide excess funds which the carriers could use in constructing further lines."

It would be bad for shippers, carriers and consumers if the rates were either so high or so low as to retard development. Their interests were identical, and unless a proper level was established one of them would suffer.

Getting at the Expert.

The commencement by the Canadian Pacific Railway through its senior counsel, Mr. F. H. Chrysler, K.C., of its attack on the exhibits and testimony presented by Mr. J. P. Muller, the government expert, was the feature of another session. Mr. Chrysler succeeded in demonstrating that the series of figures and synthetic rates which Mr. Muller has put in are not conclusive in their results, as would appear at first reading. The government expert readily acknowledged that many of his figures were not intended to be absolute, but were more for purposes of computation and comparison.

NOVEMBER COBALT ORE SHIPMENTS

The following are the shipments of Cobalt ore during November:—

	Pounds.
Crown Reserve Mine	62,850
O'Brien Mine	85,940
Dominion Reduction Company	64,500
Cobalt Comet Mine	75,138
Right-of-Way Mine	80,520
Peterson Lake	79,334
Cobalt Lake Mine	166,520
McKinley-Darragh-Savage Mine	418,737
Penn-Canadian Mine	290,650
Cobalt Townsite Mine	1,307,500
Trethewey S. Company Mine	93,257
Coniagas Mines	257,500
La Rose Mines	1,033,320
Nipissing Mines	243,270
Kerr Lake—	
Kerr Lake Mining Company	81,170
Total	$4,340,206
Gold Ore—	
Tough Oakes Mining Company	57,010
Porquis Junction—Nickel Ore—	
Alexo Mines	946,300

A splendid sample of Marquis wheat, grown in the Regina district, comes to *The Monetary Times* from Messrs. McCallum, Hill & Company, financial agents, of that city. The wheat ran 66 pounds to the bushel, 48 bushels to the acre.

WHY BRITISH COLUMBIA ISSUED NOTES

Premier McBride Says Province Adopted Best Course When It Obtained Temporary Accommodation

"The British Columbia provincial government has sold £310,000 of six-months treasury notes, bearing 5 per cent. interest, in London, at par. In view of the fact that the British government paid 4¾ per cent. interest on a recent issue of treasury notes, the success attending the British Columbia issue, which was taken up with the greatest promptness, shows beyond contradiction how high our credit stands in the money market, said Sir R. McBride, in an interview.

"Very naturally, the public will ask why necessity arose for the issue of these bills. It is the practice of all governments to put out treasury bills for temporary purposes. The British government very frequently does so, and the Dominion government has done so on several occasions. Such bills are issued in anticipation of revenue, and it has been deemed advisable to follow such a course here. As everyone knows, the province began the fiscal year with a large amount to its credit in the bank, but with a programme of supply intended to exhaust the greater part of it. This programme has been carried out. The government felt that, in view of the interruption of municipal and other work, due to the financial stringency, it was not desirable to curtail the expenditure in any way, and thereby add to embarrassment arising out of the general depression. I have not the exact figures before me, but the total expenditure on public works since the beginning of the fiscal year will probably be found to be somewhere between $8,000,000 and $9,000,000, a truly enormous amount for a province of half a million people and equal to what the Dominion was expending only a few years ago.

Was Good Business Policy.

This expenditure has not exhausted the bank balance, for the province yet has a substantial sum to its credit. Certain large payments, however, must be met shortly after the new year opens, and there are several large sums that will then be payable to the province; but, in order that every bill may be met promptly, it seemed good business policy to make a temporary loan.

"The receipts on account of extraordinary revenue have not been what was expected, owing to the causes that have affected all lines of business, and the government had three courses open. One was to curtail expenditures, and thus accentuate the general depression; another was to force the collection of sums due the province, and thereby embarrass many people; the third was to proceed with the full programme of public works and make a small temporary loan to cover possible deficiencies in the revenue. The latter course was adopted, and I think the public will concede that it was the wisest course of the three. I may add that the province has tied up in the former Songhees and Kitsilano Reserves a sum equal to the issue of treasury bills.

Conditions Arising From Stringency.

"It has also a very large amount of accounts receivable outstanding at 6 per cent. interest. Under all the circumstances we thought it was wise to issue treasury bills rather than to force the collection of debts payable, and thereby possibly have precipitated results which in many instances might have proved disastrous to individuals. We though it best to employ the excellent credit of the province to meet conditions arising out of a world-wide financial stringency. I may add that such issues as the above are ordinary matters of routine and are not usually announced in advance. On some occasions governments arrange with banks for overdrafts; in others they issue treasury bills, and the latter is conceded to be by much the better plan, as it leaves the banks free to employ their funds in commercial loans."

COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ended December 5th, 1913:—

Cobalt Townsite Mining Company, 79,000; Crown Reserve, 43,090; McKinley-Darragh-Savage Mine, 78,000; Dominion Reduction Company, 87,900; Cobalt Lake Mining Company, 62,690; York-Ontario S. M., 42,990; La Rose Mines, 246,610; Coniagas Mines, 190,170; Trethewey S. Company Mine, 88,990; Nipissing Mining Company, 120,880; total, 1,042,080. The total shipments since January 1st are now 38,162,763 pounds, or 19,081 tons.

In 1904 the camp produced 158 tons, valued at $316,217; in 1905, 2,144, valued at $1,437,106; in 1906, 5,835 tons; in 1907, 4,850 tons; in 1908, 29,360 tons; in 1909, 20,941 tons; in 1910, 34,041 tons; in 1911, 25,089 tons; in 1912, 21,509 tons.