

*By Sir Henry Drayton:*

Q. You are quite right in part of what you say about our rates being lower. My recollection is that they are not lower compared to the Central Freight Association territory; in other words, that the rates in Ontario and Quebec are not lower than those in the Central Freight Association territory.—  
A. I was speaking generally.

Q. That situation may have been changed, but the whole reason for the international freight rates case was the materially lower rates over there.—  
A. So far as grain rates are concerned, and that represents of course a large proportion of our traffic, the grain rates in Canada are materially lower—I should think at least 10 per cent or perhaps 15 per cent—than the corresponding points south in the United States.

*By the Chairman:*

Q. Does that apply to other commodities?

*By Sir Henry Drayton:*

Q. If you were to take the crop the railways actually moved last year, and arrive at the average length of haul, which can easily be done and has been done—the records of the House show it—and apply to that same haul the American rates, the rates at which the grain producers of the western prairies had their grain moved, you will find that it cost them \$33,000,000 more than had it been moved in this country. But the reason was not that our regular freight rates were lower, but that we put in an old statutory rate. Of course, the fact remains that there is a very very great difference; there is that difference there, we all know it.—  
A. Do not understand that I am criticising the present grain rates; I am merely stating the effect. One of the fundamental factors of the whole proposition is that we must charge such a rate for the movement of grain as will enable our farmers in the west to advantageously market their products in the markets of the world. That is so obvious it hardly needs any discussion.

*By the Chairman:*

Q. Is it true that the rate on other commodities is lower than in the United States?—  
A. I could not answer that directly, but certainly I do not think that you will find that we are charging excessively.

*By Sir Henry Drayton:*

Q. The rate systems of British Columbia and Alberta compared with the rate systems to the south, are lower. In British Columbia and Alberta the railways moved—speaking from memory, and Sir Henry Thornton can check me if I am wrong—about 85 per cent on commodity rates. They have some higher class rates, but the traffic, taking it as it actually moves, the effect is that the railways are operating in the western territory at a lower rate than those to the south. There is no dispute about that.—  
A. That is correct, but might I add this amendment, that of course in the western country the grain movement represents by far the biggest volume of our traffic.

Q. Yes, we have the percentages here, I think.—  
A. It amounts to about 49 per cent of our total traffic.

Q. I think it is more than that.—  
A. I am told about 60 per cent.

Q. My recollection is 62 per cent.—  
A. It represents a very large proportion of the total traffic.

*By the Chairman:*

Q. Sir Henry, could you say to what extent the revenues of the National Railways would be reduced if the balance of the Crowsnest Pass agreement came into force?—  
A. Yes, I could say it, but I would rather not.

[Sir Henry Thornton.]