

capital. If we deduct, again, from the value of the roads the amount of the Government subventions, we find that these weaker companies are making an enormous return. But the companies do not make their calculations after that method; they prefer to capitalize their blunders and make the public carry the burden. The mill-stone of fixed charges is weighing them down more and more, and the farther down they go the keener is their anxiety to make the public carry the load they themselves have been supposed to undertake.

The statement is made (without support) that shippers should contribute through increased rates towards lightening the burdens imposed upon the carriers through heavier cost of operation. The suggestion that the sums necessary be raised by taxation or Government assistance is not accepted by the Company, although it should appeal very strongly to it on traditional grounds. The Canadian Pacific, in the early days, was glad to be favored with Government assistance. This point was discussed at the hearing in Ottawa on January 24. It was then demonstrated that when the Company was in a desperate position the Government declined to approve of an advance in rates, but chose to give actual financial assistance.

In the same paragraph that draws attention to the increases in items making up the cost of transportation we find a suggestion that the producer of grain is now in a much better position to pay increased tolls. The producer of grain knows more about increases in cost of doing business than do the railways. Arguments from other sources will deal with that phase, and we merely draw attention to it here.

It was to be expected that the declarations made by Mr. Phippen at Winnipeg with reference to the financial advantages enjoyed by the Canadian Pacific Railway would come up for consideration in this argument. We are surprised to notice, however, that the contract undertaken by the promoters of the Company was "onerous." At no time since it was undertaken has it been onerous. It has been a gold mine, the foundation of some of the country's most renowned fortunes. The Dominion Government had promised to arrange that a railway across the continent should be built. It actually constructed some 700 miles of that line. When the Canadian Pacific syndicate was formed these completed sections were turned over to it, as a gift, together with the immense cash subsidy and the huge land grant mentioned by counsel in this argument. Even with all that bounty the men who were assuming the "onerous" task were not satisfied. They made frequent pilgrimages to Ottawa for the purpose of obtaining more cash or more credit, or both. *They actually received from the Govern-*