

6-7 GEORGE V, A. 1916

Q. At page 108 of the printed evidence I asked Mr. Stout this question. (Reads)  
 "Q. Is your Company interested in increasing the quantity (that is of fish) it handles?—A. Yes, but I would like to qualify that without it going into the record.

Q. Is it a desirable class of express matter?—A. In the year 1914 the Dominion Express Company lost, on its transportation operations, \$136,571 that is to say that the earnings of the business did not pay the expense of doing the business by that sum. I wish I could call your attention to the fact that that was before the war started. For the year 1915 the Company had a loss of \$365,259."

—A. Yes. Mr. Stout is there emphasizing the transportation end of it. These express companies do a large business as well in financial paper, running into hundreds of millions of dollars a year, on which they get a commission, and when the profits are taken off that loss it reduced the Dominion last year to \$226,000. Then they had some further income which reduced their final loss to \$158,000.

*By Mr. Loggie:*

Q. Is that in 1914?—A. No, 1915, Mr. Loggie.

Q. What is it for 1914?—A. I have not got the figures here. I talked this over with Mr. Stout with the greatest care. I talked with him frequently last year and also with the auditor of the Company, in relation to the figures for 1914.

*By Mr. Stewart (Lunenburg):*

Q. You say that making allowance for that they still have a loss of over \$150,000?—A. \$158,000. They start with a loss of \$226,000 and finish with a loss.

Q. \$365,259 is it?—A. I do not know where they get that figure from, it is certainly not in their report. Pardon me, it is in the transportation. Yes, it may have been so, I think it was. I have only got to say to the Committee in all sincerity that these figures absolutely startle me, and are inexplicable.

Q. Except for the explanation you have in your mind, which you do not care to express?—A. I have not got it in my mind. I don't know what has happened to these express companies to cause such a loss of business or profits to them.

*By Mr. McKenzie:*

Q. What about their volume of business?—A. Their volume of business, Mr. McKenzie, was not reduced very seriously. If we could show a large decrease in the volume of business we would have the explanation right at our hands, but you see the shrinkage in earnings was from twelve millions to eleven millions—the difference between \$12,646,000 and \$11,311,000—that was between 1914 and 1915. The difference in gross receipts in the previous year (1913) was simply the difference between \$12,827,000 and \$12,646,000 in 1914.

Mr. FOUND: Have you got there the amount of the loss incurred by the Dominion Express Co. and that of the Canadian Express Co.?

THE WITNESS: I have those.

Mr. FOUND: Let us take 1913. The rates were decreased that year. In 1913 what were the earnings of the Dominion Express Co.?

THE WITNESS: I have not the figures for 1913 here. I can just give you for 1915. So far as the Canadian Express Co. was concerned, the net operating revenue was \$77,752 as against a loss of \$226,000 for the Dominion Express Co.

Mr. FOUND: What I had in mind when you made the statement about losses a few minutes ago was, that in 1913 and previously, and subsequently also,—but I am speaking of that year—I think you will find that a very large percentage of the earnings of the Dominion Express Co. were made in the West. At that time business conditions were at their best. There was but one railway, which possibly was not able

Mr. J. L. PAYNE.