

APPENDIX No. 3

Q. Yes?—A. That is not the case. We pay in some cases first-class freight rates for the carriage of second-class matter, farm products, etc., and in other cases we pay one and a half first-class rate on merchandise; that is to say we pay 150 per cent on matter that is classified as merchandise, and we pay 100 per cent on other matter, and on some roads we give a guarantee that the earnings of the railway company will not be less than a certain minimum amount, and it is not unreasonable that they should ask to be guaranteed against loss on the accommodation that they provide. On other roads we give 50 per cent of our earnings to the railway company, in no case more but in some cases less, some as low as 40 or 45 per cent of the earnings.

Q. Nevertheless if you haul the car from Mulgrave or from St. John to Montreal and you have a portion of it unfilled, a portion of it available for express matter, would it not pay you better to have that unused portion of the car filled with fish than it would to have it go empty?—A. Well, we are prepared to accept additional fish, but it has not been offered under the present unfavourable conditions.

By Mr. Chisholm (Inverness):

Q. But, as the chairman has asked you, would it not pay you to have the unused portion filled with fish?—A. I do not think it does pay us now; as the situation presents itself in these figures it would appear that the more fish we get the worse off we would be.

By the Chairman:

Q. I do not want you to put on the record the impression which might be created by that statement that you lose this money because you are handling fish?—A. I have no intention of leaving that impression; I am merely stating the fact as I found it.

Q. You say you are carrying this low class commodity at a loss at the present time?—A. At the present time we are making a loss on our total business.

Q. Is that because of the small volume of traffic?—A. No, I would not say so.

Q. Do you say that your rates are too low?—A. They are too low.

Q. Generally speaking, you say that your rates on the express business of Canada are too low?—A. We have suffered by some depreciation of business, perhaps, on account of war.

Q. What do you mean by that?—A. That there is a smaller volume of business since the war.

Q. Has not your loss been due to that?—A. Some percentage of it, but how much it is hard to determine.

Q. In the years 1914 and 1915 did you make a loss or profit?—A. In 1914 and 1915 we made a loss and in 1913 and previous years there used to be a profit.

Q. Your rates have not been changed in the meantime, have they?—A. In 1913 the rates west of Lake Superior, local and through rates, to some extent were reduced.

Q. Would that account for the loss made in the following year, 1914?—A. Not wholly, but partly.

Q. To what extent would it account for it?—A. It is difficult to say.

Q. You have not made a calculation to determine that?—A. It is very difficult to determine how much was due to the war, how much to the reduction of rates, and how much to the competition of the parcel post.

Q. Then the decrease in the volume of business has been mainly, in your judgment, responsible for the loss suffered by the company in 1914 and 1915?—A. No, I cannot say so.

By Mr. Stewart (Lunenburg):

Q. How else can you explain the loss if the rates remained the same?—A. The rates are not the same. We had a reduction in rates in 1913 and we had competition in the parcel post, and we had competition from other railways.

MR. W. S. STOUT.