

APPENDIX No. 5

miles farther away—and from the Leamington and Niagara districts, of \$2.90 per hundred. I take these figures from a letter which is dated March 16th last, and it says: 'The \$4.20 rate still exists, although complaint was laid some two or three years ago.'

A. That arises partly from the fact that two companies had to handle the freight. It originates at Forest with the Canadian Express Company, and they take it as far as they can. At North Bay they give it to the Dominion Express Company. By so doing, it results in a rate, as you see, of \$4.20. If instead of that, the Canadian Express Company had taken the freight to Sarnia and given it to the Dominion Express Company there, thus avoiding the long haul to North Bay, the rate would be \$3.25 instead of \$4.20.

Q. Who is the proper authority to advise them to do so?

A. We have that question under consideration at present. I have had conferences recently with the express companies and they have been requested to enlarge their tariffs so that the shipper, where the freight has to pass through the hands of two or more companies, will get the lowest combination of rates, no matter whether the initial company has a short haul or a long haul.

By Mr. Robb:

Q. The point made by Mr. Armstrong affects the general trade of the whole country.

A. Yes, the express companies should be compelled to make rates the same as the freight rates are made.

A. Yes. Of course if the Canadian had taken their rate to Sarnia and added that to the Dominion rate from Sarnia to Winnipeg it would be \$3.25. But the Canadian need not have taken the goods to Sarnia, they could still have taken it to North Bay so as to get their full mileage percentage rate, but in order to arrive at the best rate they must take the lowest combination.

Q. But supposing at the same time there was competition between the Dominion and the Canadian companies both in the same place?

A. Of course in that case the one meets the rate of the other.

Q. It is not fair, the present state of affairs.

A. Mr. Armstrong, they are now working on that. It means much work. In a new tariff we have practically to go over the whole situation in order to prepare it. The agent at Forest, if he gets that shipment to Winnipeg, will have the rates of the Dominion Express from Sarnia, from Toronto, from North Bay, from all the points where the two companies connect, and he will take the lowest combination, and add together to arrive at the through rate, but he sends it over his own line to North Bay in order to get the long haul for his own company. It does not interfere with the routing at all, the shipper will get the lowest combined rate.

Q. What will that lowest rate be? What will be the difference between the lowest combined rate and the single rate, providing there are two companies in the same town?

A. In this case I think the lowest rate would be, instead of \$4.20, \$3.25 from Forest to Winnipeg, that is on the Sarnia basis.

Q. What is the lowest rate on the Sarnia basis?

A. The rate from Sarnia is \$2.90, and 35 cents to Sarnia.

Q. Yes, 35 cents for the haul of 15 or 20 miles.

By the Chairman:

Q. That is \$4.20 from Forest?

A. That is what they charged.

Q. That is what they charged, surely that must be the old rate?

A. Yes, the combined rate will be \$3.25