

it is right to compensate the member of Parliament for the loss in purchasing power of his dollar, by granting an increase of pay, it is equally right for the Government to compensate every ex-member of the C.E.F. for the loss in purchasing power of their dollar, in precisely the same manner.

INCREASES IN RAILWAY RATES.

The precedent established by the Dominion Railway Commission when granting the following increases to the Railway Companies of Canada :

Freight rates.....	40%
Passenger rates.....	20%
Pullman rates.....	50%

should not be overlooked by those presenting any case for the ex-member of the C.E.F., especially as the increased rates tax the ex-member of the C.E.F. from \$20.00 to \$30.00 per head per annum.

On August 20th, 1920, counsel for the C.P.R., Mr. W. N. Tilley, K.C., in opening for the Railway, stated "that the application for the increased rates was based primarily on the fact that the purchasing power of the dollar has decreased. At the close of 1916, following the hearing of what were known as the Eastern and Western rates cases there had been a complete re-adjustment of the railway rates in Canada, but since that time there had been a complete change in the situation, that what was then a dollar, having regard to its purchasing power, is now only fifty cents."

The term "railway rate" is relative ; it is in fact the wage which the general public pay to Railway Companies for transportation services, and it may be considered sufficient only when it enables railway companies to meet all reasonable operating expenses and pay a fair dividend on capital invested.

Counsel for the C.P.R. produced evidence to show there had been large increases in operating expenses, as follows :

Increased labor costs.....	\$21,000,000
Increased coal costs.....	10,000,000
Maintenance of way.....	6,000,000
Also fixed charges and Pension Fund	11,000,000
Income tax, 10½%.....	4,398,500
Dividends.....	22,427,000

It is important to note that after all the extraordinary increased expenditures have been taken care of by the revenues from the increased rates, there remains a surplus of \$15,064,500