

APPENDIX No. 3

Q. We will conclude what your opinion is from your reticence. To go back to the nationalization of the express business, do you think if the express companies were operated by the state—

Mr. STEWART (Lunenburg): Mr. Chairman, before you put that question, would you let me interrupt?

The CHAIRMAN: Certainly.

Mr. STEWART: Would it be well to show that that increase in percentage has grown from 45.9 per cent in 1911 to 49.6 per cent in 1915?

The CHAIRMAN: Yes.

The WITNESS: That statement is going into the record.

Mr. STEWART (Lunenburg): I thought it would be well to have it inserted right here.

By the Chairman:

Q. And at the same time the amount paid in dividends has decreased to what per cent in 1915?—A. The available net earnings have decreased from 12.2 per cent in 1911 to 0.6 per cent in 1915.

By Mr. Stewart (Lunenburg):

Q. That is six-tenths of one per cent?—A. Yes. There was practically nothing available for dividend purposes, but that was due to the large deficit of the Dominion Express Co. almost wholly, because the other companies had quite a balance. The Canadian Express Co. had \$77,000 and the Canadian Northern Express Co. had \$175,000 to the good; but the Dominion Express Co. had \$226,000 to the bad.

Mr. FOUND: The statement you are putting in shows the earnings separately?

The WITNESS: I will put them in that way.

By Mr. Loggie:

Q. What is the difference between the percentages for express privileges in 1911 and 1915?—A. That is about 4 per cent, which would make a difference of—

Q. \$500,000 or \$600,000?—A. I think we have it here in absolute dollars (consults statement). It amounted in 1911 in actual dollars to \$4,553,000, and in 1913 it has risen to \$6,324,000, in round numbers.

Q. That would not work out what I meant. I would like the 4 per cent applied to the earnings if they were the same. I want to know what the difference would be because of the greater proportion given to the railways. It will come to about \$500,000.—A. Between four and five hundred thousand dollars.

Q. That accounts somewhat for the short net earnings in 1915?—A. Yes

Mr. LOGGIE: That is what I want to bring out.

By Mr. McKenzie:

Q. What is covered by the term "operating expenses" so far as the express companies are concerned?—A. Every possible cost of operation; everything to do with the administration of the business of an express company in every way, except the one item of the hauling of the express cars, and the handling of express matter by certain carriers.

Q. The use of the cars is covered by this privilege that you spoke of?—A. This express privilege absolutely.

By the Chairman:

Q. To come back to the question of the nationalization of express companies: if the Government of Canada were operating that service, in your judgment would the cost of operation—I mean separate from express privilege—be increased?—A. If the Government were operating the express business?