

The CHAIRMAN: I think we will leave the Commons to deal with that.

The WITNESS: Of course, as far as the rates are concerned, I am the rate-making party on our line, and I am responsible for whatever rates are made. I would not like to recommend that what represents 16 per cent on western lines and probably 22 per cent on eastern lines of traffic should be carried at cost, because I think that is a foolish way of doing business; and I think if you throw off any of your overhead expenses—traffic expenses, claims expenses, maintenance of way expenses—in order to accommodate one line of traffic, you could not very well refuse to do it for other lines of traffic, and certainly not as far as coal is concerned in its movement from Nova Scotia or New Brunswick or any other part of the country, or, for that matter, in connection with the importation of coal from the border. Because, after all, you cannot dictate to any citizen of Canada where he is going to buy what he requires, and when he crosses the border he has a right to ask you to transport that just as cheap as you transport the goods for another customer. He has that under the Act. So that if you make a special rate, lower than what would be a reasonable profit over and above operating costs, from the western provinces to eastern Canada, certainly as far as that particular commodity is concerned, that same scale of charge would have to be applied to all the coal that is carried in either western Canada or in eastern Canada. I noticed in the Winnipeg papers the other day an agitation. The rate was \$4.50 to Winnipeg. The proposed rate is \$9 to Toronto. Toronto is some 1,440 odd miles further on. They said, "If it is \$9 to Toronto, we can presume that the \$4.50 is an unreasonably high rate to Winnipeg." On the other hand, I know that my friend, Sir Thomas Tait, will shortly be in my office saying, "If you can carry it 2,000 miles for \$9, I am only 841 miles of a proposition, and you can carry it for \$2.50, because you are carrying it and returning empty cars." Then of course you have got your wheat man, and wheat represents a very, very large percentage of your traffic, and is a very great interest as far as the west is concerned.

By Hon. Mr. Laird:

Q. The live stock men would want consideration, too?—A. Yes, there is no telling where that will stop. It would bankrupt any carrier, because that would be the measure of the rate. Now, I can understand you going to work and doing something for the general benefit at less than cost. We carry our settlers' effects, for instance, at one-third of our actual cost, but your loss stops with that particular movement. You have carried that man up to the west, you have settled him there at a minimum of cost; it is a good thing for the railway, it is a good thing for the country; he gets on the land, he is a producer of tons for the railway after that, a producer of revenue for the whole country, and consequently that primal loss is a very small thing. Or if you were taking care of some condition that a settler has got to endure in the way of climate or something of that kind, in order to make life easy for him, I think the railroad is quite right in putting its hand into its pocket and subscribing in that direction. But then when it comes to move its ordinary traffic in a business and commercial way that traffic should afford to the railway a reasonable return for its services, and should carry the same burden of overhead expenses that all your other traffic does—no more, and no less.

By Hon. Mr. Webster:

Q. That rule also applies to passengers, and freight rates to immigrants; you carry the immigrants at a lower rate from Montreal and Quebec, I understand?—A. Yes, lower than the usual rate.

By Hon. Mr. Laird:

Q. Then you have harvesters rates?—A. Yes, and rates on seed grain, for instance.

[Mr. W. B. Lanigan.]