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that in a recent decision of the Commission they have reversed these charges, they have transposed the charges of 25 and 20 cents, the effect of which was to give the express companies an increase of $3\frac{1}{2}$ per cent in their earnings; and if you gentlemen have given any attention, which I doubt very much, because I do not suppose you are interested in the revenue of the express companies, you would have noticed that they had all lost money until this revision was made. The increase of $3\frac{1}{2}$ per cent did not increase the cost very much to the individual shipper, but on the aggregate earnings it made a very material difference to the express companies in their earnings. The effect of the decision adopted by the Interstate Commission was that if you took any express rate for 100 pounds and deducted 25 cents, the remainder is approximately double the first-class freight rate between the same two points. Mr. Ryan was asked why double first-class freight rates and not double commodity rates were adopted, and he said because they concluded that a fair basis was double first-class freight rates. That is all I am going to give you from Mr. Ryan. I would say that in the express business under ordinary conditions there should be only one classification, that is there should be only one rate. It does not cost the express company any less to carry one hundred pounds of fish between Mulgrave and Toronto than it does to carry the same quantity of silk, except the difference in insurance, to the nominal amount of \$50. I do not just know who is entitled to the credit for it, I think it is the Canadian Pacific railway, the first intimation I received of it was from that company, which in their desire to encourage agriculture and the settlement of the country, agreed in the very early stage of our arrangements with them to accept 33 per cent less from the express companies for the carriage of agricultural products than they did for merchandise. So you have two classes and the difference in the rate, or the cost to the express company on merchandise, and what is generally classed as general special in which fish was intended to be included, is 20 per cent, or less than 20 per cent—if you examine the tariff of rates which has been approved by the Railway Commission you will find that the rates for agricultural products is approximately 20 per cent less than the rate for merchandise. The tariff on fish is on a little lower basis generally than on the farm products. That can be explained in this way: Coming east around the north shore of Lake Superior where we had a long stretch of a thousand miles where nobody lived but a few fishermen, we attempted to build up some traffic, and with the co-operation of the railway company we were able to put in rates there that enabled those shippers to sell their products in Toronto, Montreal and eastern points in competition with Georgian Bay and Lake Erie shippers which at that time were plentiful. That accounts for the fact that these rates are less than for agricultural products. When we opened in St. John, N.B.—I don't know how long ago—

Mr. VICKER: Twenty-seven years.

The WITNESS: All the fresh fish, I think, came from Portland. The rate from Portland was 80 cents and the duty half a cent. Our traffic was very light, and we met that rate by making a rate of \$1.30 from St. John, and that formed a basing rate from the Maritime Provinces. In British Columbia and the prairie provinces the rates are governed largely by rates similar to those charged in the United States for similar distances; and from Manitoba to eastern points they are in line, or in fair proportion, to rates established from Lake Superior. Now we have in Canada three standard mileage bases approved by the Board of Railway Commissioners. One is the rate east of Sudbury; the other is the rate west of Sudbury to the Mountains; and the third is the rate in the Mountain Section, and they are known as Scales "A," "B" and "C." Scale "B" which is the section between Sudbury and the Mountains, is 39.7 per cent over the rates east of Sudbury. Scale "C," which is the Mountain Section is 29.3 per cent over Scale "B," and 78.6 per cent over "A." Those differences in the rates are due to the difference in the cost of handling business in the several sections.

MR. W. S. STOUT.