RAILWAY FREIGHT RATES.

Ottawa, March 22.-A parliamentary paper has been issued containing reports of Prof. S. J. McLean. Ph D M A on railway commissions and railway rate grievances. The blue book contains 79 pages, equally devoted to the two subjects. The report voted to the two subjects. The report on railway commissions bears date thave been already made known to the public. The report on rate grievances is dated Jan. 17. Prof. McLean states tant investigations were conducted at Toronto, Woodstock, Commission of the Praving States of the Stratford, Seaforth, Walkerton, Gueiph, Wanni-peg, Saltonats, Yorkon, Portage in Prairie, Brandon, Regina, Prince Ai-bert, Calgary, Edmonton, Revestoske, Thomas, Windsor, London, Sukandar, Seaforth, Wolf, Yorkon, Portage, in Praille, Brandon, Regina, Prince Albert, Calgary, Edmonto, Reventosc, Kamiloops, Vancouver, Victoria, Brandon, Seafon, Prince Albert, Calgary, Edmonton are placed under the following headings: 1, classification; 2, distributive points; 4, car lot and less than discriminations, 5, compeditive versus mos-competitive traffic; 6, American rates and Chandian rates; 7, minimum weights, 8, republic, 9, in rates, II, through rates, 12, rates to the Northwest, 13, compedities in connection with transconfiguration of the property of the pr

Excessive Rates and Discriminations

One of the most important points investigated by Prof. McLean, and one most exhaustively discussed in the report, is that of excessive rates and discriminations, no less sive rates and discriminations, no less sive rates and discriminations, no less sive up to this subject, much of the space being, however, occupied by tables field by the Camadian Pacific and rates and the control of the contr

Incomes United States territory:
In reference to these, Prof. McLean says:—
In reference to these, Prof. McHowever, must be remembered
that the tarific, effective in the Candian Pacific quotes in this table, are
the special proportionate tariffs out
from Winnipeg under which the distributing business of the tariffs out
from Winnipeg under which the distributing business of a re limited in
the points of the property of the tariff was the
points designated. If reight
tariff No. 578, effective was the traders at
the points designated. If reight
tariff No. 578, effective was the traders at
the points designated. If reight
tariff No. 578, effective was the traders at
the points designated in the apterior of the traders of the traders of the
tariff is included in the appendix to this report—it will dann Pathat the rate of the traders of the
that the rates of the traders of the
traders of the
traders of the traders of the
traders of the traders of the
traders of the traders of the
traders of the traders of the
traders of the
traders of the traders of the
traders of the traders of the
traders of the
traders of the
traders of the
traders of the
t

In the Northwest there is a high nasis of local rates. The case of movement in the transportation across the prairie, coupled with the fact that this section is rapidly filling up, would, in my opinion, justify some readjust ment of local rates. The existing grain rates from branch lines in the Northwest are on a anomalous footing. Non-Competitive Competitive and

Traffic.

Prof. McLean says:—It is an established position that there is little of efficient competition as regard rates. What competition exists is a competition of service rather than of rates. The competition does not normally lead to one railway underbidding samples of the leads to an say underbidding samples. The competition does not normally lead it leads to an say underbidding samples. The sample which has a long haul, is carried on a lower rate per ton per mile than local traffic. This difference is attributable in the main to the fact that the traffic which has to stand the long life rate, not bear as can be traffic, on the other hand, can stand a higher ton mile rate. Short-distance traffic, on the other hand, can stand a higher ton mile rate because this rate will not be such a large per cent. of the value. In addition to this the difference in rates at which the two classes of traffic are carried is affected by the presence or absence of alternative methods of transportation.

After citing various examples, Prof. McLean sums up: It is true that shorter distance traffic cannot justifishorter distance traffic cannot justifi-ably expect the same rate per ton per mile as longer distance traffic. It has to be recognized that the terminal charges are constant in both classes of traffic, while the cost of movement of traffic, while the cost of movement tends to vary inversely as the distance. At the same time, in a number of in-stances the discrepancy between the rates on the two classes of traffic n too great. There is not sufficient correspondence between the distance travelled and the rate, and regulative supervision is necessary.

American Peter and Consdies Beter

The control of the countries call under the following call the countries can be considered to the countries

the two countries fall under the fol-lowing general headings.—

(a) Through rates on American pro-ducts passing through Canada, as com-pared with through rates on Canadian goods of the same description passing over the same line This complaint concerned with grain

(b) Rates on American commodi-ties brought into Canada, as compared with rates on Canadian commodities of

lke nature.

ne complaint with reference to the stion which through rates on American goods bear to those on Canadian dis brings up the question which in form or another has been intended one form or another has been intended to be dealt with by the "long and short haul" clauses of various regulative acts. Where the condition exists that lower rates are charged for the same commodity carried for a longer distance over the same line in the same for complaint. Where a higher rate is charged for the longer than for the shorter haul, the rate for the shorter distance being at the same time manifestly out of proportion to that charged for the longer haul, there is a prima facie an injustice. Where the lower facie an injustice. Where the lower rate, whether absolutely or propor-tionally, is given to the American produce by a Canadian road, there ap-pears to be a manifest discrimination against Canadian interests. Prof. McLean conside 's numerous specific cases, and closes this branch of

specific cases, and closes this oranch of the subject with the following re-marks:—Public policy demands that when a low-rate basis is given to American goods which come into conmarks:—Public policy demands that when a low-rate basis is given to American goods which come into con-petition with Canadian goods ther-should be regulation to see that the expansion of Canadian trade is not bampered. It should be seen to that Canadian goods are not given such a rate as to offset their geographical ad-

with reference to the through export rates on American products, as compared with those given to Cana dian shippers, it is manifest that the circumstances, both in regard to voi une of traffic and water competition reunstances, both in regard to vol-me of traffic and water competition, inder which the rates on the former e determined, are not identical with some entering into the determination the rates on the latter. The differ-ce in point of condition will tend-give the American product a lower tte basis, and the rate charged by rate basis, and the rate charged by the Canadian carrier American goods carried through Canada for ex-port is the rate charged of the Littled States. A the same time it is of the control of the control of the charged of the control of the charged of the control of the charged of the control of the canadian export rates should have to the Ameri-can extract place. Under stating can export rates should have to the Ameri-can export rates. Under existing con-ditions of trade the rate basis or American traffic is lower. But the de-termination of just how much higher the Canadian rates shall be than the American rates should be subject to regulative process.

Northwest Rates.

Northwest Rates.

Prof. McLean next notices the question of rates to the Northwest. He first touches on the complaint of the western Ontario fruit shippers, that if fruits taking different the rate of the light of the control of th is the rate higher, but the rate of travel is slower; that the present ar-rangement limits the direct trade to the distributing centres in the North-west, and that great difficulty is exwest, and that great difficult shipments west of Brandon. The arrangement, he says, inures to the advantage of the larger and to the disadvantage

of the smaller point. "In the interest of developing the trade," he says, "some concession should be made. If "some concession should be made. If it were allowed to carry a carlot of mixed fruits, the carlot rate on each commodity being charged instead of, as at present, charging the rate of the highest classed commodity on all the highest classed commodity on all then the expansion into the western country of the fruit trade of Oritario would be facilitated. It has to be recognized that in the country around Regina, north and west, the fruit of the State of Washington is obtoining a footbold The concession taining a footbold. The concession outlined would tend to secure a greater share of the business to the Canadian fruit producer." And Prof. McLean goes on to note that in the case of goes on to note that in the case certain groceries and dried fruits similar arrangement is already p mitted by the rallway. already per

Importance of the Rates.

Prof. McLean remarks on the large Prof. McLean remarks on the large proportion of the freight rate in the prices charged for goods in the Northwest. "On shipments of furniture we the Northwest the Treight charges amount on the average to one-third of the original cost of the goods. In the case of the construction of flour mills in the west, one-third of the cost of the completed mill is represented by freight charges. The freight charge on soap from Toronto to Edmonton—4th class at \$2.07—is \$1.65 for an 80-pound box. The selling price is \$3.55 per box. The freight therefore amounts to 44 per cent. of the value of the goods. In the case of soap shipments from Toronto to Kamloops the rate is \$2.01; this gives a freight charge of \$1.01, or nearly 50 per cent. of the value of the goods." Prof. McLean admits that the basis of rates in the West must be expected to differ to some extent from that of of the discrepancies are startling. for an 80-nound how The selling

of rates in the West must be expected to differ to some extent from that of rates in the east. None the less, some of the discrepancies are starting of the discrepancies are starting. Toronto to Kamloops, a distance of 2.770 miles, is \$2.01; from Toronto to Halifax, a distance of 1.170 miles, the rate is 54 cents. That is, while the distance to Kamloops is a little less than two and one-half times are starting to the starting of the rate of the long haul throughout, the disproportion would appear to be too great. The rates into the Northwest as they expansion of the trade of eastern Caudad in the Northwest."

Winnigen's Complaint.

Winnipeg's Complaint.

Winnipegs Complaint.
The complaint of the Winnipeg board of trade that the C. P. R. discriminates at Fort William against independent lake carriers is examined at length. The complaint of the board of trade and the defence of the railway are set forth in some detail. and the defect of the control of the railway are set forth in some detail. Prof. McLean's observations on this point are as follows: "The lowest rate, as established in evidence, quoted by independent lake Calls does not, however, establish a grievance. On shipments from Fort William to Winnipeg the local rate of \$1.16 first-class is charged to Fort William, it would be available to points in western Ontario, which are touched by water competed which the country of the control of the control of the country of t The lake and and rail rate first-is \$1.43. As long. class. The lake and rail rate first class to Winnipeg is \$1.43. As long then, as the established through lak and rail rate is maintained, and th local rates from Fort William are re ed through lake local rates from Fort William are re-tained unchanged, then any cut in lake rates which would bring the joint rate below \$1.43 would be open to the Winnipeg merchants. It can-not be argued that the lake and rail rates should be changed to meet every change in the lake rate. This would be justifiable if the lake rates thembe justifiable if the lake rates them-selves, as distinct from the lake and rail rates, were subject to the regula-tion of parliament. But, as the law stands, this is not the case. If the lake and rail rate had to adapt it-self to every change in the lake rate. saff to every change in the lake rate, it would upset he regulative process and interfere with stability of rates. At the same time it must be remembered that, while a cut on lake rates, which might be of short duration, would not serve as a reason for the immediate reduction of the lake and rail rates, yet a contint on the control of the rates and the control of the rates are the control of the rates and the rate of the rates are the rates and the rate of t ments carried on a through by rail and partly by wallead to a revision of the rate. In doing this all thestances of the case would be considered."

British Columbia Complust-Under the heading of tra are touched upon, the quest are touched upon, the quest rates charged to interior compared with the rates of the Pacific coast, and the charges on goods to British charges on goods to British coast points than to adjace States points. The former is known complaint that interin British Columbia are charate to the coast plus the I back to the interior point. back to the interior point.
of Kamloops protested strong
this. Prof. McLean review
guments adduced by the ra
defence of this practice,
cludes that the contention ludes that the contention cops that it should in gene he same level of rates as o coast points is not Where there is an entire ity of circumstances the diff. cannot be construed rates cannot be construed a crimination." In regard to a cation of the local rate back loops, however, he is of opi-there should be some reduc-tible local rate. The rates to Columbia politis, which are to exceed those to similar States points, are increased are styled "arbitraries. these arbitraries large part unjustified.

Regulation of Rates.

Regulation of Rates.
Upon the point of the regurates Prof. McLean discus
systems in use, pointing out points of the policy of r
through maxima adopted in
"In general," he says, "the
terested with the regulative should give up reliance upon ma should give up reliance upon mand should desire the company with it the rate actually to be ed in respect of the traffic deneed. The same facilities in res cd. The same facilities in respect of publication might attach as at pre-ent, and if any preliminary objections should be presented to any phase of the tariff these might be considers. But in the great majority of case these rates would be subject to resist on only when it appeared in the cause of a complaint that re-tificatis of some grievance was required. By this procedure the regulative lost would be enabled to focus like attention. would be enabled to rocus its a upon a special case." He can the question of elasticity, hold regard to competitive traffic tariff might be filed, immedia tariff might be filed, immedia coming effective, "and that the fixed might be changed as a was desired by filing new rate each of which would be effe-soon as filed. The regulative would have reserved to it a would have reserved to it a visory power in regard to a charged under such rate sheets such rate charged would be to the revision of the commiss

Committee vs. Commission

Committee vs. Commiss Discussing the Ballway Co-Prof. McLean briefly reviews fections to it, summarizing fellows:—(1) It has a dual for it is not continuity of tenure: is a lack of technical training work; (4) the lack of migragants of the comparison of the compar

Railway Commission, ne say work of railway regulation serned with administrative. work of railway regulation crimed with administrative. Ititical problems, and the control of the