

Railway Defence

Oppose Reduction of Western rates because of no water competition. C.N.R. can't stand any lower charges. Hearing adjourned to November 4.
(By The Guide Special Correspondent)

Ottawa, October 11.—The celebrated Western rates case reached a new stage in Ottawa this week when the three railways involved, the Canadian Pacific, the Grand Trunk Pacific and the Canadian Northern, put in their reply to the finding of the board that counsel of the Dominion and Provincial Governments had established a prima facie case in connection with the general charge that in the matter of freight rates the West is being unduly discriminated against. The hearing was undoubtedly the most important ever heard by the board and the array of counsel was probably without parallel in connection with railway board cases.

While the hearing of the evidence which the railways had to offer was not commenced until Monday a general defence of Western rates was in the hands of the commission in documentary form on Saturday. The line of argument advanced has been to some extent anticipated in the press but the railways presented some arguments not heard of before and which were unexpected. The declaration that, despite the opinion of the Railway Board, a prima facie case had not been established was not in that category. Such a declaration was to be expected and it naturally occupied the first place in the statement submitted by the railways. Other arguments advanced were that Eastern and Western rates were established under entirely dissimilar circumstances; that higher rates are charged by railways operating in the Western States; that Western grain, which constitutes the bulk of the Western traffic, is moved eastward at rates which cannot be complained of, and that substantial reductions have already been made in Western rates. On behalf of the Canadian Northern and Grand Trunk Pacific it was further stated that a reduction in rates would only result in increasing the competitive strength of the Canadian Pacific which has reached a strong position of financial stability to the detriment of the newer roads which have been projected into new territory thereby practically creating a monopoly in connection with the carrying trade of the Western country.

Water Competition

The Canadian Pacific Railway was the first to present its case. At the beginning C. M. Bosworth, Vice President, in charge of traffic, was put on the stand to deal with general conditions both in the East and West. He was followed by W. R. McInnes, general traffic manager, and W. B. Lanigan, traffic manager in the West, who produced a vast array of freight rate comparisons all designed to show that rates charged in the Canadian West are lower than those charged in the Western States both either on American or C. P. R. lines. It was quite apparent from the evidence given by Mr. Bosworth that the "dissimilar conditions" under which Eastern and Western rates were originally framed as referred to in the general defence filed by the railways pertained largely to the lack of water competition in Western Canada. Mr. Bosworth assured the commission that the competition of the navigation companies on the Great Lakes and the St. Lawrence River was the controlling factor in the rate situation in Eastern Canada. When cross-examined by M. K. Cowan, counsel for the Alberta and Saskatchewan Governments, and Isaac Pitblado, counsel for the Winnipeg Board of Trade, as well as by Harry Whittle, counsel for the Dominion Government, Mr. Bosworth was not able to give the board any definite information as to the extent of the water competition from Fort William. He also made the somewhat damaging admission that the railways have an unwritten agreement with the navigation companies in regard to rates, but maintained that despite this agreement the existence of water routes in the East has a tendency to lower the charges which railways can make. D. B. Hanna, Vice-President and General Manager of the Canadian Northern, in giving evidence on this point later on declared that the railways would be very well pleased if they could raise their rates in the East, but that it was impossible to do so owing to the regulating power of the water routes.

The larger cost of operation was another point urged upon the Board by Mr. Bosworth, Mr. Hanna and other witnesses as a reason why it is necessary to charge higher freight rates in the West. Figures were produced to show that the wage list is considerably higher and that it is steadily increasing while the rates have been going down. Still another point urged was the severity of the Western climate. In this connection Mr. Hanna said that for several winter months the hauling capacity of locomotives is greatly reduced and for every dollar earned the railways find that they have to pay out \$1.25.

C.N.R. Surpluses

Probably the most important statement made during the course of the proceedings was that which came from the mouth of D. B. Hanna on Thursday, just previous to the adjournment. When asked what effect the general reduction in freight rates would have on the Canadian Northern Railway he said that a cut at the present time would wipe out all its surpluses and probably more and the road would not be able to meet its fixed obligations. The statement prompted Chairman Drayton to ask if the Canadian Northern surpluses were spent in the construction of new lines. Mr. Hanna, in reply, stated that the surpluses went almost entirely into betterments, such as improved grades and new sidings and stations.

Knocks Western Route

An interesting development in connection with the hearing was the hard knocks given to the proposal to export wheat via Vancouver by W. B. Lanigan, Western traffic manager of the C.P.R. Mr. Lanigan declared that ocean rates of carriage and insurance are so high at present as to make it almost impossible to export wheat from Vancouver profitably. W. A. MacDonald, K.C., counsel for the British Columbia Government questioned Mr. Lanigan about the proposal of six thousand United Farmers of Alberta that the rate of 19 1-2 cents for export from Vancouver be reduced in order to create a westward movement of grain. Mr. Lanigan said that a few people in Alberta had been making quite a noise out of proportion to their number, but that he had never been asked by the farmers of Alberta to reduce the rate. Mr. Lanigan subsequently admitted that he knew that such a request had been made to the Railway Board if it had not been made to the C.P.R.

It would be quite impossible within the scope of this article to go into all the details of the line of defence adopted by the railways but the foregoing indicate it in broad lines. Eastern papers, friendly to the corporations, have described the defence as a strong one, but it must be remembered that the counsel for the Dominion and Provincial Governments and the other interests represented have deferred their cross-examination until they may have an opportunity to study the rate comparisons and statistics submitted by the railways. It is only fair to all parties concerned to withhold a definite expression of opinion until the railway case has passed through the fire of unfriendly criticism. This will not be until November 4, when the board will meet again to resume the consideration of the great question involved in the inquiry.

In conclusion it would only be fair to say a word in praise of Chairman Drayton, the new head of the Commission, who has shown a remarkable grasp of the whole question which is all the more striking when it is remembered that he was not a member of the Commission when the case was started. Assistant Chairman Scott, who declared that a prima facie case had been established against the railways, is in Europe and did not hear the evidence given by the railways in defence. Commissioner McLean, who has for many years been a student of rate questions, and Commissioners Mills and Goode sat during the hearing this week.

Mixed Farming Special

Conducted by Alberta Department of Agriculture

Special Lectures and Demonstrations

On all Phases of Farm Life

Canadian Pacific Train leaves Calgary, Monday, October 28

Grand Trunk Pacific Train leaves Camrose, November 18

Canadian Northern Train leaves Edmonton, November 25

SUBJECTS

LIVE STOCK—Judging, Care, Feeding and Management
FIELD HUSBANDRY—Farm Crops, Weeds and Soil Cultivation
POULTRY—Housing, Breeding, etc.
DAIRYING—In all its phases
DOMESTIC SCIENCE

Schools will be held at the following places:

Cochrane	Monday	Oct. 28	2 p.m. to 5 p.m.
Langdon	Tuesday	" 29	9 a.m. to Noon
Bassano	Tuesday	" 29	2 p.m. to 5 p.m.
Brooks	Wednesday	" 30	9 a.m. to Noon
Carlstadt	Wednesday	" 30	2 p.m. to 5 p.m.
Irvine	Thursday	" 31	9 a.m. to Noon
Walsh	Thursday	" 31	2 p.m. to 5 p.m.
Bow Island	Friday	Nov. 1	9 a.m. to Noon
Tabor	Friday	" 1	2 p.m. to 5 p.m.
Stirling	Saturday	" 2	9 a.m. to Noon
Raymond	Saturday	" 2	2 p.m. to 5 p.m.
Magrath	Monday	" 4	9 a.m. to Noon
Cardston	Monday	" 4	2 p.m. to 5 p.m.
Carmangay	Tuesday	" 5	9 a.m. to Noon
Vulcan	Tuesday	" 5	2 p.m. to 5 p.m.
Okotoks	Wednesday	" 6	9 a.m. to Noon
High River	Wednesday	" 6	2 p.m. to 5 p.m.
Cowley	Thursday	" 7	9 a.m. to Noon
Pincher Creek	Thursday	" 7	2 p.m. to 5 p.m.
Stavelly	Friday	" 8	9 a.m. to Noon
Nanton	Friday	" 8	2 p.m. to 5 p.m.
Crossfield	Saturday	" 9	9 a.m. to Noon
Didsbury	Saturday	" 9	2 p.m. to 5 p.m.
Red Deer	Monday	" 11	9 a.m. to Noon
Bowden	Monday	" 11	2 p.m. to 5 p.m.
Coronation	Tuesday	" 12	9 a.m. to Noon
Caster	Tuesday	" 12	2 p.m. to 5 p.m.
Stettler	Wednesday	" 13	9 a.m. to Noon
Alix	Wednesday	" 13	2 p.m. to 5 p.m.
Ponoka	Thursday	" 14	9 a.m. to Noon
Wetaskiwin	Thursday	" 14	2 p.m. to 5 p.m.
Provost	Friday	" 15	9 a.m. to Noon
Hardisty	Friday	" 15	2.30 to 5.30
Killam	Saturday	" 16	9 a.m. to Noon
Daysland	Saturday	" 16	2 p.m. to 5 p.m.
Leduc	Monday	" 18	9 a.m. to Noon
Camrose	Monday	" 18	2 p.m. to 5 p.m.
Swalwell	Tuesday	" 19	9 a.m. to Noon
Three Hills	Tuesday	" 19	2 p.m. to 5 p.m.
Trochu	Wednesday	" 20	9 a.m. to Noon
Huxley	Wednesday	" 20	2 p.m. to 5 p.m.
Tofield	Thursday	" 21	9 a.m. to Noon
Holden	Thursday	" 21	2 p.m. to 5 p.m.
Viking	Friday	" 22	9 a.m. to Noon
Irma	Friday	" 22	2 p.m. to 5 p.m.
Wainwright	Saturday	" 23	9 a.m. to Noon
Edgerton	Saturday	" 23	2 p.m. to 5 p.m.
St. Albert	Monday	" 25	9 a.m. to Noon
Morinville	Monday	" 25	2 p.m. to 5 p.m.
Fort Saskatchewan	Tuesday	" 26	9 a.m. to Noon
Vegreville	Tuesday	" 26	2.30 to 5.30
Munson	Wednesday	" 27	9 a.m. to Noon
Big Valley	Wednesday	" 27	3 p.m. to 6 p.m.
Red Willow	Thursday	" 28	9 a.m. to Noon
Donalda	Thursday	" 28	2 p.m. to 5 p.m.
Innisfree	Friday	" 29	9 a.m. to Noon
Manville	Friday	" 29	2 p.m. to 5 p.m.
Lloydminster	Saturday	" 30	9 a.m. to Noon
Kitscoty	Saturday	" 30	2 p.m. to 5 p.m.

This is a special train for the Farmers of Alberta and will consist of nine cars including two carloads of pure bred cattle, horses and sheep to be used for judging and demonstration purposes. One car of poultry equipment and one car for dairy demonstration work.

Special rates will be secured between points where train stops.

DUNCAN MARSHALL,

Minister of Agriculture.

C. E. LEWIS,

Supt. of Fairs and Institutes.