

Q. But the expense of duplicating the help over the whole of the Intercolonial Railway line would have an effect upon the net profits of the express companies, would it not?—A. If your assumption is also correct that there is no more business with the two companies operating than there would be with one, just exactly to that extent it would increase the operating expenses.

*By Mr. McKenzie:*

Q. Why I asked you that question was, we have constantly coming to our notice instances of companies or corporations doing business on parallel lines, doing business under different names, losing money along some lines, and making money along the other phase of the same business. For instance we find Mackenzie and Mann making vast amounts of money in building railways for themselves; in building those railways they make immense profits, but in running those same railways which they built for themselves, they say they lose money so that, taking it altogether, it does not make very much difference to Mackenzie and Mann whether they get it one way or the other, they get it anyway. I thought it might be the same in respect to these express companies and the railways.—A. As a public officer I must give evidence on the material that is before me. I may have my private suspicions about somethings but that is altogether different; I have to deal with the facts as they appear before me.

The CHAIRMAN: In consideration of the war taxes which are now being imposed upon the railway companies, it may be that they will make subsidiary companies show earnings of 7 per cent in order that they may be relieved to a certain extent of the extra tax; that is the only satisfactory phase of this part of the question. Now in regard to the federal assistance to transportation companies in the way of bonuses, have you any information? I will put the question in this way.

Q. What assistance has been granted by the Federal Government, first, to the Canadian Pacific Railway Company in the form of money grant, moneys' worth and land?—A. I shall have to ask you to let me file a statement, because it is a little more complicated than it seems to you, I think. The Canadian Pacific and its many subsidiary companies, have inherited the grants, the subsidies, of companies of which they bought the charter rights, and so the whole statement will have to be made up for you. In all the years I have been working on this I never had that question asked me about the Canadian Pacific, but I have shivered, because it is the most difficult problem I have to deal with, to answer definitely how much aid the Canadian Pacific got from the Dominion Government.

Q. I think the people of this country are the ones to shiver. Still, we want the answer if you can give it to us.—A. I will file with you, if you will allow me, Mr. Chairman, as short a statement as I can possibly give you which will answer the question.

Q. Give also the same statement with regard to the Canadian Northern Company.—A. In the case of the Canadian Northern you come in contact with this large guarantee problem. Don't you want the guarantee?

Q. Give us the guarantee for the Canadian Northern and the guarantee also in regard to the Canadian Pacific.—A. I do not think they got any.

Q. Yes, there is one.—A. (after consulting record) Yes, I see there is. £3,093,700 at least. The bonds included within this guarantee were, however, paid in full by the Canadian Pacific Railway, and the Government of Canada assumed full liability therefor.

*By Mr Stewart (Lunenburg):*

Q. In your statement you mention "Only as a guarantee."—A. Yes, I will keep them entirely separate, so that when I file statements they will go right into the proceedings in their proper place.

Mr. MCKENZIE: Make it clear what this statement is to be about. You mean, I suppose, to give a statement of the aid to the main line of the C.P.R. as separate from whatever might have been given to the branch lines.

Mr. J. L. PAYNE.