

APPENDIX No. 3

Q. Then it is simply a matter of competition?—A. It is a competitive rate.

Q. Does it pay?—A. I do not think it does.

Q. Have you any figures to show whether it does or does not?—A. I have not.

Q. And if it does not pay, you have to make up what you lose in the operation of that service, if you can, by imposing higher rates on some other parts of the service, I suppose?—A. Yes.

Q. And then in order to account for this great discrepancy between your rate from Vancouver to Montreal, Boston and New York, we have merely to look at the rates between points on the Atlantic, and points like Montreal or Windsor, Ont.?—A. I do not think it can be said that the rates on fish contribute anything to the deficit on the movement of fish from the Pacific coast in carloads to New York, or Boston or Montreal.

Q. I am not speaking of fish alone, but of rates on all classes of traffic from the east?—A. Whenever you make a rate on any class of traffic, or in any district, that is less than the cost of the service, it has to be made up in some other district, as a matter of business.

Q. Because you have a competitive rate from the Pacific coast, and it is what you regard as an unduly low rate, the rates in other parts of your system are necessarily made higher?—A. Yes, if the fish is carried at a loss it would undoubtedly be. I would like to say that at the time the Canadian Pacific railway decided to meet that rate from Vancouver to Boston, or apply the same rate from Vancouver as was applied from Seattle to Boston, the complement of our trains was about six cars, and it was contemplated that that car could be hauled without adding materially, if at all, to the expense of the movement of that train. The Canadian Pacific Railway under its contract with the Dominion Express Company cannot haul freight on a passenger train. The consequence was that the business was handled by the express company at the rate named for freight service in the United States on passenger train movement, and the earnings were divided between the express company and the railway company in the ordinary course and subject to the general conditions of the contract. The business of the railway in general has grown to that extent that sometimes the movement of a car now means a second section of the train, and that is why it is important to get the traffic in fish. But it is a difficult matter to calculate any one class of traffic and figure out exactly what it costs you; you can only get at the averages.

Q. You still do business at that rate?—A. Yes.

Q. And you would not, of course, consider giving it up unless you were obliged to by reason of competition?—A. It is a difficult matter, after you have had business for a period of twenty years, to let go of it.

Q. Would it not be an advantage to the express companies to have shipments of fish go forward in carload lots, for the reason that no special messengers in charge would be required?—A. You mean without any opening in transit?

Q. Yes.—A. And to be handled by the shipper and consignee at point of shipment and terminal, thus saving the company any terminal expense?

Q. I mean to go forward in precisely the same way as shipments do now?—A. The express companies perform the waggon service some little advantage, it is not a great advantage, the difference in what you would pay for the cost of handling at the way stations.

Q. Then it would not be of sufficient advantage to make it an element in the formation of the rate?—A. It is customary to make a lower rate for carloads than for less than carloads, provided your less than carload rate is on a fair basis.

Q. Has your company ever considered the suggestion of partitioning off a section of your express cars that can be cooled with refrigeration, for the carrying of fish?—A. Yes, sir, we have given it very careful consideration on several occasions.

Q. And what is the conclusion at which your experts have arrived?—A. I won't say they are experts. But it is a difficult matter to deal with.

MR. W. S. STOUT.