

*By Mr. Sinclair:*

Q. By examining those contracts, you can ascertain whether there is a combine among these express companies, or a working agreement to keep up rates?—A. I think, Mr. Sinclair, I ought to be very cautious in making any statement along that line.

Q. I think that is very important.—A. If you had said: "Is there a working agreement among these companies?" my answer would be "yes." But when you say "to keep up rates" that is a matter about which I would require specific information, because it reflects upon their integrity.

Q. They are anxious to keep the rates up as high as they can. We will assume that, as business men, they will want to do that?—A. My answer would be: I do not know, Mr. Sinclair. There is a working arrangement among the express companies, but that is—

Q. When a change takes place with one it takes place with the other?—A. There is the same working arrangement among the express companies that exists among railway companies. If a shipment were being made from one point to another over two or three different lines, there is a distinct understanding among these companies as to the rates which each company shall receive on that shipment. That is what I mean.

Q. You mean the companies consult with one another?—A. No, there is a working tariff, which, when a through rate is quoted by one company, involves a certain proportion of that rate going to the two or three companies concerned in the movement. Do I make it clear to you?

Q. Yes, I understand you, but supposing there are two routes between Montreal and Toronto, and the Grand Trunk reduces its rate on a certain commodity between these two points, does it have any consultation with the Canadian Pacific?—A. If they did anything reduced to the form of a contract they would be obliged, under the Railway Act and in a demand made upon them by the prescribed schedule, to acquaint me with the character of that contract or to give me a copy of it even if it were reduced to writing.

Q. The same would be true of the express companies?—A. Absolutely the same. It is one of the basic prescriptions of the department that any of the arrangements affecting rates must be reported definitely to the department.

*By the Chairman:*

Q. Will you go back now to the question I was asking a few minutes ago as to whether it is a fair proposition to take the base rates of the express companies in the United States and apply the same to Canada, in view of the fact that the American express companies are not railway owned, and the Canadian express companies are railway owned. In reply to that, you quoted from the Interstate Commerce Commission report for the year 1909? Is that the only answer you feel like giving?—A. I think I ought to go a step farther and say, that having regard to the conditions in the United States and in Canada it is practically obvious that the express companies in Canada could afford to give a lower rate.

Q. What do you think might reasonably be considered a fair difference in the rate?—A. I do not know that I could attach a percentage to that difference. It would require a good deal of careful working out. But since we now clearly understand that express privileges represent a purely arbitrary payment in which there is no competition, and that a very large proportion of that payment is in the nature of profit, a fact like that has a definite bearing upon what could be regarded as a fair express rate.

Q. Will you state, if you can, the value of express equipment in Canada?—A. In round figures, Mr. Chairman, the total equipment owned by express companies in Canada is one million dollars. It is actually \$999,564, and it is made up as follows: horses, \$203,226; vehicles, \$290,946, and other equipment, \$505,392. You see that the other equipment not classified is practically more than the other two items combined.

Mr. J. L. PAYNE.