

APPENDIX No. 3

operated on a passenger train. At the same time I think there is room for the development of a fast freight service which would be in the nature of, or approaching, an express service as at present conducted.

Q. You do not quite appreciate my question. I am not asking, or suggesting, that this business now being done as an express business should be done as a fast freight, but what I meant was that the express company has now an identity of its own, it is a separate concern having the privilege of operating upon the railway which is supposed to be a separate company. Why could not the parent company, the railway company, carry on this business on its own railway that is now being done by the express company, thus dispensing with the extra machinery and the further expense that is now involved in connection with the express company as a separate organization?—A. I have never given very much thought to that question, but there is no obstacle that I can think of in the way.

Q. Is not this separate express company simply another device by which more money is really taken out of the people? Because there is another company operating the express business in connection with the railway it necessitates higher rates for transportation.—A. I would not like to suggest that; I would rather assume that as the company is operating over other lines besides its own, that this separate organization is more or less necessary. If it were operating entirely on its own line then a great deal of this machinery would be entirely unnecessary. But it operates over a great many other lines, steamship lines, stage coach lines, etc.

Q. But the different railways have a working arrangement between themselves in regard to freight and the division of profits on carrying it, why would not the same agreement be equally effective in regard to express business?—A. I think there is no difficulty about that; I do not think it is absolutely necessary to have separate express companies, but I think on the whole it may cost more for the convenience.

By Mr. Copp:

Q. Would there not be extra expense incurred by the railway company in operating the cars?—A. I think whatever expense is incurred now would to some extent have to be incurred by the railway company if it took over the express business. In that case the railway company would require an express messenger on the train and an express agent in the different communities in which it operated, as the express companies now have. The only thing you would save would be the overhead expenses, perhaps, a small proportion of it, the head office expenses.

By Mr. Loggie:

Q. Having in view the increase in the operating expenses that you have mentioned down to 1915, on the Intercolonial railway, for example, a few years ago, in fact up to within two or three years, I think there was only one messenger on the train, the Canadian Express Company's messenger, but now that the Dominion Express Company have the right to send parcels over that road, do they not also require to have a messenger there as well?—A. That is something I do not know anything about; I do not know anything about the details of the express work over the different roads; I just get the figures relating to their business.

Q. You do not know anything about that part of it?—A. I do not know anything about the mechanical part of the business.

Q. The point I was questioning you upon is, that the expenses along the Intercolonial railway for express business have been duplicated because there are two express companies now operating over that road instead of one, which would increase the ordinary cost of operation as against the revenue, because the revenue with two companies operating is, I presume, practically the same as if only one were operating there?—A. The express business arising on the Intercolonial railway is not large enough on the whole to seriously affect these larger figures; of the total earnings it would not, I think, amount to more than 10 per cent.

MR. J. L. PAYNE.