

minent New York Central man is credited with the assertion that his company contemplates establishing a two-cent maximum rate from ocean to ocean.

I saw evidence of it in one of the Ottawa papers last week. It was said that the New York Central, with its connections are forcing the two-cent rate through the south-western country, and that the great dream, or rather the great aim of the Vanderbilts to-day is to make a two-cent maximum rate across the continent. They say, and all their officers say, that the two-cent rate stimulates travel and makes it profitable to the company. Another official said in the state :

The whole history of railroad progress shows clearly that rates seldom come down except when courts and legislatures order it.

That is the argument I have been making. I have never heard of a railway company in this country reducing rates unless it has been ordered to do so by the legislatures or the courts, except a few years ago when there was a war on between the Grand Trunk and the Canadian Pacific Railway, but just as soon as the war was over up went the rates. I have not many extracts to read, and I do not wish to weary the House, but there are a few expressions of opinion which may be useful as bearing on the discussion. A member of the New York State Railroad Commission, discussing the Canadian conditions, remarked :

An easy method of relief for Canada, without absolutely declaring for a two-cent maximum passenger tariff, would be the adoption of a general law that would provide that the through rates on all lines in the Dominion shall be the sum of the locals. In other words, the passenger fare in that part of Ontario between the Falls and Detroit, as applied between stations, could not exceed the amount charged for a through ticket over those lines. Invariably the through rate, where such a law is not enforced, is less than the local fares between stations. Most states of the republic have such a law. From the Falls to Detroit the through rate is on a two-cent per mile basis. Competition forces this concession. Yet the fare by local rate between those two points is one-third more. There are few points in Canada that are not affected by the competition in the States on this through basis. The Canadians could secure the benefit of this competition at least, if they could not force a two-cent maximum passenger rate.

Mr. George Daniels, General Passenger Agent of the New York Central Railway expresses his opinion as follows :

Mr. George Daniels, general passenger agent of the New York Central, is authority for the emphatic statement that the two-cent maximum passenger rate his line enforced for twenty years has stimulated traffic enormously. Further, Mr. Daniels is one of the progressive passenger men of the country who assert unequivocally that the passenger business of a railroad company is a source of revenue, and proportionately exceeds the freight revenue. . . .

During the last ten days 'The World' correspondent has talked with state officials in the

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capitals of Illinois, Michigan and New York, and without an exception they have declared that the only way to secure reduced passenger rates is to enact laws to that effect ; that the railroad companies uniformly unite to combat this legislature and plead the loss of revenue it would mean to them. One well-known New York state official declared that it was not the wisdom of New York Central officials that caused them to adopt the two-cent maximum rate, but the refusal of the legislature twenty years ago to permit the consolidation of the several systems, except on a two-cent passenger tariff basis. But the experiment proved profitable, and did stimulate business amazingly. No one seeks to deny this proposition.

Then he goes on to give the figures to prove the statement. I shall conclude in the matter of evidence by reading a short extract from a statement made the other day by Mr. J. D. Youmans, the senior member of the Interstate Commerce Commission of the United States. This is a body that was created by congress some years ago to regulate interstate commerce and to deal with the rates on United States railroads. Mr. Youmans is a man of the widest experience in connection with railroads and he unequivocally made this statement the other day :

The lower the rate the more people travel. Low maximum passenger fares stimulate business enormously. These are but two propositions not to be disputed. . . . The trunk lines of the east, of course, have the two-cent fare generally in effect by the purchase of mileage books, and the great suburban traffic is handled at even a cheaper rate by the commuter's ticket, but the rural communities are not favoured to this extent. I consider it almost an axiom that the lower the rate the heavier the travel. Therefore, the two-cent maximum passenger rate may be considered clearly as largely improving traffic, but it is a nice question as to whether the increased business will offset the loss of revenue incident to the two-cent maximum rate. It has been said that the New York Central, which has the two-cent rate generally, holds that the increased business does offset this loss of revenue. I do not know as to the correctness of this. . . .

I understand, of course, that on through business across the continent the Canadian railroads are in accord with the lines in the States, but this would not apply to local business originating in Canada.

Two-cent maximum rates follow more as the result of legislation than competition, though competition sometimes forces this rate into effect. As a result of the lower rate of passenger travel the business in the States has been enormously stimulated of late years. Lower rates stimulates travel. That is certain.

There is any amount of evidence that could be given on this point. It has been published by commissions, and the details of it are to be found in the debates in all the state legislatures where this question has come up. It has not been gainsaid, it is clear beyond peradventure, that the adoption of a two-cent maximum passenger rate has stimulated business, has increased the earnings of the company, and has been for the general benefit of the community. In