

Your Railways and the Cost of Living

BEFORE the Privy Council at Ottawa protest against the New Railway Rates has been made on the ground that the giving of the New Rates would raise the cost of living by a percentage many times higher than the percentage actually charged by the Canadian Railways.

It was pointed out that the numerous middlemen who act as the distributors of goods would each add his percentage of profit to the freight rate, so that although the railways might receive say only 40 cents additional freight charge on a shipment, the public would be forced, by the distributing middlemen, to pay many times that amount.

The managements of the various Canadian Railways desire, through this their association, to draw the attention of newspaper readers to the highly significant fact that the recent increase in United States Railway Rates—an increase similar to the increase in Canada—*has actually been followed by a decrease in the cost of living in that country.*

Furthermore,

A great Canadian manufacturer recently made public—without any solicitation and without the previous knowledge of the Railway managements—figures which proved that the retail selling price of a yard of plain white cloth in Winnipeg, after being hauled from Montreal to Toronto and Toronto to Winnipeg, would be increased only one-half a cent, *even after the wholesaler had added 20% profit to the new freight rate and the retailer another 50%.*

He showed that these distributors, whether rightly or wrongly, added 15 cents to his mill-price of 16 cents per yard.

Yet the railways carried the raw cotton for this yard of goods from Texas to Montreal, and the finished goods from

the mill to Toronto and Toronto to Winnipeg for one-and-one-half cents.

One-and-one-half cents as against fifteen cents.

We venture to believe that whatever the explanation or the justification may be, the same serious additions to cost by the distributing trades will be found in relation to almost every article of common household use.

This is not to attack distributors. They may themselves be victims of a bad system or of an overcrowded trade. But it is to point out that if they add whatever percentages they, as a trade, find convenient *on top* of the freight rates the Railways cannot help either themselves or the public. The oppressive results of these practices should not be charged against the Railway managements, nor cited as reasons for holding freight rates down—merely because railway rates *can* be held down—while other prices soar as the various trades find necessary.

RAILWAY charges always must be a serious item in determining cost of production, but the management of your Railways urge upon your attention this fact: that antiquated, overloaded and wasteful systems of distributing goods are much more properly a subject for public anxiety.

Canada cannot prosper without prosperous railways. Canadian railways cannot prosper unless Canada prospers.

In all sincerity let us suggest that the people of Canada beware of those who would restrict and even strangle the railways, *simply because control exists there—and is not so convenient in other departments of commercial activity.*

The Railway Association of Canada

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