

This 17 per cent increase to that type of business is a very serious matter, and I suggest too that the volume movement of his product to the east is a good bit of business to the railways.

These are two examples of the effect of these cumulative increases. We state again that we realize the railways are, like anyone else entitled to increases to offset the costs of operation. However, it appears to us that a good look needs to be had, at the way these increases are being applied because there are fewer and fewer of us who can bear the increases, particularly when so much of the rail rates are paid either on agreed rates or competitive rates. By way of a neophyte's suggestion—I am no expert on rail rates at all but I do know their effect in a business way and I am not so sure that the time has not come when perhaps—whether they are agreed rates, competitive rates, Crownsnest Pass or anything else—if we all take a small part of any subsequent increase, perhaps we can all live with them.

The CHAIRMAN: Thank you, Mr. Charnock and Mr. Styffe.

Gentlemen, have you any questions to ask these two witnesses?

Mr. HORNER (*Jasper-Edson*): These rates that you quoted on pulpwood, are those agreed charge rates?

Mr. STYFFE: No, that is the straight rate, and my point was that in that particular instance there is no competition. I might point out, as Mr. Charnock did, we have only one main thoroughfare, we do not have sufficient roads yet where trucks can compete, to give us the argument that there is reasonable competition and thereby get a competitive rate or agreed rate. We are paying the straight rate, but that is an example of what is happening to these people who cannot get either an agreed rate or a competitive rate.

Mr. CHOWN: Mr. Styffe, I understand in your particular industry it is a very simple thing to make optimum use of freight cars, because pulp is relatively clean and easy to pack in freight cars. Do you feel that the railways are making the maximum effort to sell their service and make full use of their empty freight car storage capacity, which is available from time to time on the line, to a degree where they can give you some concessions for giving them volume, in terms of your particular industry?

Mr. STYFFE: They have proved—I would say the railroads have gained some benefit from the pulpwood movement because our pulpwood movement takes place largely in the winter time, and mostly with gondola cars in our particular area. We do not handle too much box car movement in that area—gondolas which otherwise perhaps are busy in gravel or some other types of material, like coal, during the summer months; and I think the pulpwood has worked to their advantage in that they have been able to keep otherwise idle gondola cars busy during the year.

In regard to clean handling, something was mentioned the other day in connection with grain rates. That is, the grain people said there was not so much by way of storage facilities. We are in much the same position because no railway is required to put up any other facilities than to put in the cars on the spur. Most of the pulp and paper companies and contractors move very quickly, the same day. Unloading is also quite rapid, so we do not have to hold up cars at the other end, as with grain. Very often we are off in the same day or two days.

Another point which I wished to bring out in connection with volume movement on traffic, which I think is so important to the railways' business is, these domestic rates on pulpwood from the large papermill companies are getting quite high. While they have been unable to get the rates reduced, they have faced these higher rates, but there has been a trend towards moving truck roads into their limited areas to avoid using the railways.

Personally, for the railways' sake, I believe it is unfortunate because we have vast quantities of pulpwood which should normally move by rail.