

APPENDIX No. 3

"Q. According to your figures, they have had no profits at all?—A. They have *eliminated* their profits. The profits in 1911 were \$1,207,929, and they were reduced to \$68,668 last year. That is to say they were reduced to that on the basis of net operating revenue. They were doing an exceedingly profitable business up to 1913, on the face of it, and then for reasons which I would like very much to know (interrupted)—

(Page 155)—

"Q. Would it be due to the arbitrary extension of the express privileges?—A. That is entirely arbitrary. They can allow the railway what they will.

"Q. They have gone on increasing the commission assigned for express privileges each year, have they not?—A. Certainly, quite perceptibly, very much so.

"Q. Would the increase in the allowance for express privileges account for the decrease in the profits?—A. In part.

"Q. You give me the impression you think these figures are not bona fide, as compared with five or six years ago?—A. It would be assuming a very heavy responsibility to even to imply such a thing, but—(interrupted)—

"Q. You do not wish to create that impression, but you certainly gave it to me—A. Well, I may say that the impression is in my own mind, and I could not very well conceal it."

(Page 156)—

"I have only got to say to the committee, in all sincerity, that these figures absolutely startle me, and are inexplicable."

(Page 157)—

"Q. You say the reduction in the net profits is inexplicable to you?—A. It is."

The companies do not desire to enter into any controversy with Mr. Payne, but merely to direct the attention of the committee to these statements, for the purpose of correcting an erroneous impression, which this evidence must have given, with regard to the business of the Canadian Express Company, and the Dominion Express Company.

The figures given in the first quotation refer to all the business of all the companies in Canada.

These two companies are the principal companies, but it is impossible to base any conclusion upon the figures of all the express companies in the country, when they are jumbled together. Yet Mr. Payne has deduced a general law of increased payments to the railway companies.

The figures which Mr. Payne has made use of, in the statement furnished to the committee, printed at pages 168 and 169, are those for the years 1911 to 1915, inclusive.

The deduction drawn from the figures, and which Mr. Payne implied to the committee, is that the express companies have improperly, and for some sinister purpose, increased the scale of payment to the railway companies for what these returns call "express privileges."

Several of the terms referred to by Mr. Payne in his evidence are technical, and when used without explanation are misleading.

The term "express privilege" has been adopted by the Department of Statistics, from the usage, in the United States, where the term was employed by the Interstate Commerce Commission.

The word "privilege" is a comprehensive term to include the services rendered by the railway company, to the express company, including transportation, the use of cars, and the lines of railway over which they are drawn, the services at the smaller offices of railway agents, use of offices in railway stations, and many other services of a like character.