

Q. Very well. It would be quite material, would it not? You have just said the great bulk of your traffic consists of grain.—A. There is another aspect of the Crownsnest Pass matter which is entitled to certain consideration, and that is that if the Crownsnest rates are fully restored, my traffic people advise me that it is going to create pretty serious obligations with respect to the whole rate structure in other commodities. That may or may not be a factor or a strong argument, but the problem with the rate structure is that it is like the tearing of a fabric. When you pull one thread in one corner of the piece, you are likely to disturb something in the other corner, which may have far-reaching effects.

*By Sir Henry Drayton:*

Q. You have to leave them up in the air?—A. Pretty much. I can only say that it is like a piece of fabric; if you pull one thread it disturbs the other end of the piece, which you cannot foresee.

Q. Take the rates in Ontario on dairy products; I take that because it is the chief farming activity of Ontario; the rates on butter and cheese and eggs were increased during the war by something like 80 per cent, 81 per cent, and 82 per cent, and they are still there. The company wanted to reduce them, but they have not been able to on account of the Crownsnest Pass business.—A. There is also another factor to be considered, and that is that the price of materials and the price of labour has not fallen materially. Those represent, of course, by far the largest items of our expense.

*By Mr. Mackinnon:*

Q. In the Maritime Provinces, would it be fair to charge the price of a bushel of potatoes for carrying two bushels from Charlottetown to Sydney? To charge the price of one bushel for taking the other bushel down; would that be fair?—A. That is a difficult question to answer without knowing further details.

Q. I am only putting the general proposition.—A. I should say if you were charging a freight rate which would be, according to your hypothesis, 50 per cent, it would be a heavy charge, although perhaps the margin in the business might be sufficient to permit that.

Q. That is only an illustration. Take the shipments that came from the Maritime Provinces, shipments of dairy products and other produce, to Ottawa and Toronto; that has ceased now. They cannot afford it, they cannot pay the freight rate. That has affected the Maritime Provinces a good deal. You used to be able to go down to the business houses here and buy a carload of produce from Prince Edward Island, something in the line of vegetables or butter or cheese, but you cannot do it today.

Sir HENRY DRAYTON: The chief trouble about raising rates has been to get away from the idea that the original purpose of the railway was to permit free interchange of products. Some of the rates are pretty high.

Mr. MACKINNON: The tariff has hit the Maritimes pretty hard.

The WITNESS: The United States tariff on potatoes has hit the Maritime Provinces hard, and that had more to do with the whole situation than freight rates, I think.

*By the Chairman:*

Q. You have an item headed "Miscellaneous" there, I see nothing about express revenues. Is that included in that?—A. No.

*By Sir Henry Drayton:*

Q. I wonder if we could have, at the next session, information as to rates in the Central Freight Association territory as compared with Ontario and Quebec.