

5 1-2c higher than the rate on the American grain. Terminal charges are included in both cases.

Our railways then discriminate against Canadian farmers, in favor of American farmers. They also discriminate against Canadian farmers, in favor of other classes in this country. A large proportion of the grain and grain products shipped from points lying north of the main line of the Grand Trunk, between Toronto and Sarnia, goes out via New York and Boston. On the shipments of grain the railroads charge a higher rate than on flour or meal going to the same place, the difference between the rate charged on wheat and that charged on flour ranging from 1 1-2 cents to 2 cents per 100 pounds. When the rate was first imposed the rate on grain and flour was the same, but the Millers' Association objected to paying so much, and secured from the railways a reduction to present figures, but no reduction was made on grain. Hence the finished product of the mill is now carried for less than the product of the farm. If the millers had had no organization they would have secured no reduction. If the farmers had a sufficiently strong organization they would secure quite as good a rate as the millers enjoy.

Canadian railways not only discriminate against Canadian producers in the shipment of through freight, and discriminate against Canadian farmers, in favor of other classes in the community, but they charge a higher rate for ordinary freight traffic in this country than is charged for a like service by American railways. All classes suffer from the excessive charges on what may be called local freight.

A case in point. In Brant and Norfolk Counties there is a line of railway connecting Brantford and Waterford by direct route. Waterford merchants buy a large portion of their stocks from wholesale houses in Brantford, and they find it cheaper to haul their purchases from the wholesale house to the retail store by team, a distance of 18 miles, than to have the same shipped by rail.

Messrs. McLaren and Kemp (both members of the House of Commons, and both large shippers) have gone into this matter very carefully. They have compared railway freight charges in the United States with like charges in Canada, and as a result of their investigations have declared that the charge imposed for carrying freight in this country is, on the average, 25 per cent. higher than the charge imposed for like service across the lines. All classes suffer from these overcharges, but farmers suffer most of all.

A very simple calculation will show how heavy is the burden thus imposed. On page 379 of the Year Book is a statement showing that the railways of Canada received for the hauling of freight in 1901 no less a sum than \$43,446,672. The average overcharge was, as already stated, 25 per cent. This means, then, that our railways received for carrying our freight upwards of \$10,000,000 more than would have been charged for like service in the United States.

Compare this overcharge with the cost of Government. The total expenditure of the Ontario Government, for carrying on the affairs of this Province in 1901, was \$4,038,834. (Year Book, page 490.) The overcharge on freight service in one year would meet the cost of carrying on the Government of Ontario for two and a half years.

In all branches of industry and commerce prices have been on the downgrade for years—save in railway service. Here there has not been a reduction, at least the reduction has not been commensurate with that which has taken place in other lines. Passenger rates are precisely the same as they were when railways were first built, and in the freight rate there has been but little modification. Why should not the charge for railway service have been reduced as the cost of clothing, sugar, boots and shoes, and implements have been reduced? The cost of everything connected with railway construction and railway operation has been lowered. Steel rails cost in the United States in '68 \$158.50 per ton, in '78 \$42.25, in '98 \$17.62. (See statistical abstract of the United States, page 397.) Again, one railway train will move three times the freight to-day