

before this Committee who could put their finger right on the spot and tell us how these rates could be equalized.

Hon. Mr. WATSON: Don't you think the Canadian Pacific Railway is quite capable of taking care of its end of the situation?

Hon. Mr. WEBSTER: There may be reasons why it pays them better to haul in a different direction.

Hon. Mr. WATSON: We do not think there is any sentiment about freight, and the wheat of the west goes the way of least resistance.

Hon. Mr. WEBSTER: There are millions of bushels available for export and I cannot understand why our railways and ship owners cannot get together and secure the business. There is no reason why the elevators, railways, and the steamships could not lower their rates a certain amount and secure this business.

Hon. Mr. WILLOUGHBY: The railway companies are not allowed to cut rates, but the boats can fix any rate they like. They make their own rate, and if a man has 1,000,000 bushels of wheat to ship from Winnipeg and he wants to ship to Liverpool, he finds what the American rate is, and if it is less than the Canadian rate, he will ship through United States ports.

The CHAIRMAN: If we can prove that the Canadian National Railways have a fixed rate from Winnipeg to Quebec of 36 cents and that that rate is much too high, I do not see why the Canadian National Railway, which is run for the benefit of the people, could not come down in the charges.

Hon. Mr. WILLOUGHBY: You cannot make the rates flexible. They must be fixed for a certain period. You could not charge a little less to-day and more to-morrow.

Hon. Mr. TURRIFF: They say they cannot haul it for less than 36 cents, and I think we should ask the Railway Commissioners to appear before us and prove that they cannot haul it for less than 36 cents. The Quebec Harbour Board claim that it can be hauled for 18 cents, and we want to know whether that is true or not.

The CHAIRMAN: The Canadian National Railway Department say that the cost of hauling wheat over the Transcontinental is 36 cents a bushel. Experts in Quebec have been going over this, and this is what they say, "It would cost 17½ cents to carry a bushel of wheat from Winnipeg to Quebec over the Transcontinental Railway, a distance of 1,350 miles, and they can haul a double load compared to what they can haul on the Canadian Pacific Railway. Train loads on the Transcontinental are 60 cars with an average capacity of 1,000 bushels, giving 60,000 bushels of wheat. The cost for freight train mile from statistics prepared by the Interstate Commerce Commission over the steam roads in the United States varies from a maximum of \$2.44 to a minimum of \$1.67 and the average cost of a freight train mile is given as \$1.99. The above figures of \$1.99 covers the personnel on the train, fuel, locomotive repairs, engine house expense, etc. It does not cover the administration expenses, maintenance of the line, maintenance of the rolling stock or profit. The operating cost of a freight train from Winnipeg to Quebec—1,350 miles—at \$1.99 is \$2,686.50. The cost of a freight train returning to Winnipeg, cars empty, 1,350 miles, at \$1.99 is \$2,686.50. The total cost of operating the train, Winnipeg to Quebec, and back to Winnipeg is \$5,373. The allowance for maintenance of the line, maintenance of rolling stock and administrative expenses is 100 per cent of operating expenses. That is taken from the Engineers' Handbook, page 1219. The total cost, therefore, would be \$10,746, and the total transportation cost per bushel of grain \$0.179 cents, say 17-9/10 cents per bushel. In the above figures the trains are travelling back to Winnipeg empty. And no data can be found showing what freight would be available from Quebec westward. It is evident that a certain quantity of freight, probably increasing every year, would be available which would be a clear profit to the lines in excess of the profit made on wheat charges above 18 cents per bushel."