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"Not the manufacturer, not the wholesaler, not the retailer, but the ultimate consumer pays the freight rate."—Winnipeg Free Press.

THE BURDEN OF RAILWAY RATES

Freight and Express Charges Levied Upon the People of
Western Canada Unjustifiably Higher Than Those in
Eastern Canada and in the Adjoining States

Pamphlet No. 1

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"The Winnipeg Free Press is one of the most untiring advertisers of Western Canada."—**Chicago News.**

"A great Canadian newspaper is the Winnipeg Free Press. It is of itself one of the most noted products of the great and growing western country which it has done so much to make known to the outer world."—**Charlottetown Guardian**, Prince Edward Island, Canada.

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"If energetic, enterprising and patriotic journalism deserves adequate reward—as far as is possible in this world—the Winnipeg Free Press should have unlimited largesse showered upon it in respect of its persistent, original and even picturesque efforts to "boom" Manitoba and the Northwest, and exploit the apparently inexhaustible story of their resources."—**Peterboro Examiner**, Ontario, Canada.

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"The Winnipeg Free Press is, in many respects, the greatest newspaper in Canada."—**The Duluth Herald**, Minnesota, U.S.

"The Free Press, a newspaper whose own rapid expansion from a very modest beginning offers an interesting parallel to the growth in recent years of Manitoba, and generally of the far northwestern British provinces."—**Daily Advocate**, Stamford, Conn., U.S.

"The Free Press, one of the greatest newspapers in our great Western country."—**Daily News**, Truro, N.S., Canada.

THE BURDEN OF RAILWAY RATES

The beaver stands for Canada. But Western Canada, while retaining its due share in the ownership of the beaver as the emblem of the whole Dominion, is entitled to have some animal as its own particular emblem. The buffalo, of course, would be the right animal historically; taking things as they actually are, however, the animal that would most accurately represent Western Canada would be a milch cow with the marks of the railway branding-irons burnt in deeply all over her hide.

Not only has Western Canada borne, and is still bearing, the heavy end of the burden of the cost, in lands, money and tax exemptions, of the railways which have made possible the national progress of the last fifteen years, but Western Canada has also borne, and is still bearing, the heavy end of the burden of railway rates. Scores of millions of dollars have been paid in subsidies for the building of railways for the development of Western Canada; all that money was money borrowed by the Dominion, and constitutes to-day a part of the public debt of Canada, in the carrying of which the people of Western Canada are bearing a full share.

The 31,864,054 acres of land given to the railways, by which the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba have profited, have been provided by Manitoba (3,566,977 acres), Saskatchewan (15,177,063 acres), and Alberta (13,120,014 acres.) The exemption of railway property from taxation has meant an immense total of money out of the pockets of the people of the West, and will continue to mean a heavy cash tribute paid to the C.P.R.

And yet the railways levy rates upon the people of Western Canada which are heavier than the rates in the East.

In comparison with the adjoining States, too, as in comparison with Eastern Canada, Western Canada is heavily burdened with extortionate freight rates—and that though the construction, maintenance and operation of railways in these Prairie Provinces is less costly than in any

other region of the continent. The hoped-for benefits of railway "competition" have not materialized.

The other railway systems compete with the C.P.R. only in levying upon the people of this country "all that the traffic will bear." This is the fruit that has been reaped from the grants of millions of acres of the best agricultural land in the world, millions of dollars of public money and millions of dollars in tax exemptions. Strangely astray was the Minister of Railways when he made the remark in the House at Ottawa in January last that "in spite of the good work of the Interstate Commerce Commission, the railway rates in Western Canada are lower than "in the United States."

A Railway President's Illuminating Remark

One of the most illuminating remarks yet made on the subject is that of President Hays, of the Grand Trunk, when he said in Toronto last summer, in reply to the demand of the Grand Trunk trainmen for higher wages, that they must be patient, and that after 1912, when the Company would be reaping the abundant profits to be garnered from the high freight rates on Western business, might hope for increases in their wages.

In December last the Dominion Railway Commission, in the same matter-of-fact way, pronounced its approval and benediction of the same policy by suggesting that the express companies, which are simply tentacles of the railway companies, should charge \$5 in Western Canada for a service for which in Eastern Canada the Commission fixes the charge at \$3. That is to say, for example, that for carrying an express package from Winnipeg to Regina, which is the same distance as from Montreal to Toronto, the Commission authorizes a charge which is the Montreal-to-Toronto charge plus two-thirds.

When we remember that the construction, maintenance and operation of railways in these Prairie Provinces is less costly than in any other portion of Canada, and in connection with this fact consider how the people of these Provinces are burdened with extortionate railway rates, the appropriateness of a milch cow, branded as in the manner indicated above, as the emblem of Western Canada, becomes convincingly self-evident. The mere fact that the C.P.R., after the payment of all working expenses and fixed charges, and after the payment of a 10 per cent. dividend, has been having annual net cash surpluses in the neighborhood of \$14,000,000, shows that the railway rates are an unjustly heavy burden upon the ultimate consumer.

The wholesaler, of course, figures his percentage of profit on the cost of his goods to him, including the freight charges, when he is fixing the price he charges the retailer. The retailer does likewise. The ultimate consumer is the goose that lays the golden egg.

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RATES IN THE EAST AND RATES IN THE WEST.—I.

Figures for all Classes of Freight, Showing How the Canadian Railway Rate Schedules are Framed in Accordance with the Doctrine that the West is the Destined Bearer of the Enormously Heavy End of the Load of Inequitable Freight Charges

The comparisons below are between the rates in operation in the East and the rates in operation in the West on the various classes into which all freight is divided. There are ten such classes. The 9th Class, namely, live stock, is here omitted. The only live stock brought to the West in any considerable quantity is horses.

The comparisons show the rates for corresponding mileages (1) between stations in Ontario and Quebec, (2) between stations in that territory and stations between North Bay and Port Arthur, and (3) the rates in the West, either from Lake Superior, that is, Port Arthur, or Fort Willam, or from Winnipeg. The comparisons are for corresponding mileages, or mileages as nearly corresponding as can be found in the distance tables. The following table, taken as a whole, gives a fair idea of the rates East and West, just as the "trier" which the inspector plunges into the grain at intervals from end to end of the car brings up samples from which he can judge the whole carload:

Rates (in cents per 100 lbs.) on the different classes of freight:

From—	To—	Miles	1st Class	2nd Class	3rd Class	4th Class	5th Class	6th Class	7th Class	8th Class	10th Class
Montreal-Mountain	100	30c	26c	23c	19c	15c	14c	12c	12c	10c
Winnipeg-Melbourne	..	99	40c	34c	28c	22c	19c	15c	13c	12c	9c
Montreal-Kaladar	191	36c	32c	27c	23c	18c	16c	13c	14c	11c
Winnipeg-Elkhorn	198	57c	48c	39c	30c	27c	21c	16c	16c	14c
Montreal-Burkton Jct.	292	44c	39c	33c	28c	22c	20c	17c	18c	15c	
Winnipeg-Wolseley	296	83c	70c	57c	43c	38c	30c	22c	20c	18c
Montreal-Galt	396	50c	44c	38c	31c	25c	23c	19c	20c	17c
Winnipeg-Moose Jaw	..	400	99c	83c	67c	51c	45c	36c	27c	25c	21c
Montreal-N. Bothwell	..	495	58c	51c	44c	36c	29c	27c	21c	22c	20c
Winnipeg-Waldeck	499	\$1.14	96c	77c	59c	52c	42c	31c	30c	25c
Montreal-Windsor	566	58c	51c	44c	36c	29c	27c	21c	22c	20c
Winnipeg-Sidewood	567	\$1.26	\$1.05	85c	65c	58c	47c	33c	33c	27c
Windsor-Caldwell	869	\$1.05	86c	70c	50c	42c	36c	36c	35c	35c
Winnipeg-Crossfield	..	867	\$1.65	\$1.38	\$1.11	84c	75c	62c	43c	42c	36c
Windsor-Jackfish	995	\$1.05	86c	70c	50c	42c	36c	36c	35c	35c
Pt. Arthur-Crane Lake	997	\$2.09	\$1.74	\$1.39	\$1.04	94c	81c	58c	48c	47c	
Montreal-Schreiber	863	\$1.05	86c	70c	50c	42c	36c	36c	35c	35c
Port Arthur-Secretan	..	868	\$1.88	\$1.57	\$1.25	93c	84c	72c	53c	44c	43c
Quebec-London	626	64c	56c	43c	40c	32c	30c	22c	23c	21c
Port Arthur-Kirkella	..	628	\$1.42	\$1.19	94c	71c	63c	54c	37c	32c	31c

From—	To—	Miles	1st Class	2nd Class	3rd Class	4th Class	5th Class	6th Class	7th Class	8th Class	10th Class
Quebec-Windsor		759	68c	60c	51c	43c	34c	32c	23c	24c	22c
Port Arthur-McLean....		757	\$1.72	\$1.44	\$1.14	85c	73c	66c	48c	37c	37c
Quebec-Rossport		1050	\$1.25	\$1.04	85c	62c	52c	46c	43c	43c	41c
Port Arthur-Walsh		1050	\$2.18	\$1.81	\$1.44	\$1.09	98c	85c	61c	50c	49c

The lowest rates are between stations in Ontario and Quebec, East of North Bay. Between stations in that territory and stations from North Bay and Fort William the rates are much higher than they are in Ontario and Quebec; but it is when we move Westward from Lake Superior that we find the principle of "all that the traffic will bear" beginning to be applied with increasing rigor. The farther we get from Port Arthur and Fort William, the more do we realize that we are in the region of those high freight rates which President Hays referred to in a remark which has been quoted on an earlier page.

A Gross Injustice to the West

Why should the rates in the West be double the rates in Ontario and Quebec? This is the question to which the people of Western Canada are beginning to insist upon, an answer from those entrusted with the responsibility of regulating the traffic charges levied upon the public by the railway corporations. It is to be noted here that 40 per cent. of the traffic carried by the Grand Trunk is traffic that comes into and passes out of Canada—traffic originating in the United States and destined to points in the States; it is carried on through rates and the revenue received for hauling it between the Niagara River and Detroit or Port Huron, is considerably less than the local rates in Ontario, and which are so low in comparison with the rates from Port Arthur and Fort William and from Winnipeg. For the year ended June 30 last the net traffic earnings of the Grand Trunk, were \$8,807,004.40, which is nearly six per cent. on \$150,000,000.

While the Free Press is not undertaking to argue that the rates from Lake Superior and from Winnipeg should be upon the same basis as the rates from Montreal and Toronto, surely the fact that the rates from Lake Superior and from Winnipeg—all the rates in the West—are too high stands out "gross as a mountain, open, palpable." For example, the rate from Montreal to Windsor on 5th Class freight works out to 1.02 cents per ton per mile, and on 1st Class to 2.04 cents per ton per mile, while the corresponding rates here in the West, shown above, are 2.04 and 4.44 cents respectively per ton per mile. The figures in the above table speak for themselves. The reader can see for himself how the comparisons work out, remembering that the sample rates set before him are, to repeat the comparison made above, like the grain which the inspector draws from a car with his "trier," to enable him to judge the whole carload.

RATES IN THE EAST AND RATES IN THE WEST.—II.

Further Comparisons on All Classes of Freight for Corresponding Mileages, Showing How the West is Compelled to Submit to Railway Extortion—On, for Example, a Carload of 5th Class Freight (Minimum Weight 24,000 lbs.) Rate from Winnipeg to Moose Jaw, 400 Miles, is \$52.50 More Than from Quebec to Belleville, Ont., 395 Miles

Additional comparisons between Eastern and Western rates, on mileages between 100 and 500 miles, are shown below, to be followed by further Eastern and Western freight rate comparisons, on mileages between 500 and 1,000 miles. As in the previous comparisons, the rates are shown for all the classes into which freight is divided, with the exception of the 9th Class, which is live stock, the only live stock brought to the West in any considerable quantity being horses. The figures are in cents per 100 lbs. on the different classes of freight:

	Miles	1st Class	2nd Class	3rd Class	4th Class	5th Class	6th Class	7th Class	8th Class	10th Class
Montreal-Eganville	194	36c	32c	27c	23c	18c	16c	13c	14c	11c
Winnipeg-Whitewater	194	57c	48c	39c	30c	27c	21c	16c	16c	14c
Montreal-Brule Lake....	300	44c	39c	33c	28c	22c	20c	17c	18c	15c
Winnipeg-Springside ..	295	83c	70c	57c	43c	38c	30c	22c	21c	18c
Montreal-North Bay....	360	48c	42c	36c	30c	24c	22c	18c	19c	16c
Winnipeg-Regina	358	93c	78c	63c	48c	42c	33c	25c	22c	20c
Montreal-Depot H'rb'r	380	48c	42c	36c	30c	24c	22c	18c	19c	16c
Montreal-Meadowside..	375	58c	51c	44c	36c	29c	27c	21c	22c	20c
Winnipeg-Pense	375	95c	80c	64c	49c	43c	34c	25c	25c	20c
Quebec-Belleville	395	48c	42c	36c	30c	24c	22c	18c	19c	16c
Montreal-Berlin	397	50c	44c	38c	31c	25c	23c	19c	20c	17c
Montreal-Verner	394	58c	51c	44c	36c	29c	27c	21c	22c	20c
Winnipeg-Moose Jaw..	400	99c	83c	67c	51c	45c	36c	27c	25c	21c
Quebec-Scarboro Jct...	499	54c	47c	41c	34c	27c	25c	20c	21c	18c
Montreal-Sarnia	504	58c	51c	44c	36c	29c	27c	21c	22c	20c
Montreal-Pogamasing..	496	76c	67c	57c	48c	38c	36c	26c	27c	25c
Winnipeg-Asquith	504	\$1.22	\$1.02	83c	63c	56c	45c	32c	29c	26c

That the railway rates in Ontario and Quebec are remunerative is proved by the figures in the annual Dominion Government blue book of railway statistics furnished on oath by the companies in accordance with statutory requirement. The Grand Trunk makes money hauling freight from Montreal to North Bay, though it has to meet the shorter mileage

of the C.P.R. (The mileage given in the table above is the C.P.R. mileage—the Grand Trunk mileage from Montreal to North Bay is 396 miles.) Must there not, then, be an immensely greater profit in the higher rates from Winnipeg to Regina? Note also the differences between the Quebec to Belleville rates and the Winnipeg to Moose Jaw rates, and the other comparisons above; in the following comparisons on mileages from 500 to 1,000 miles, we see the Western rates on the first five classes of freight mounting to more than double the rates in the East.

RATES IN THE EAST AND RATES IN THE WEST.—III.

Some More Typical Comparisons—From Montreal to Fort William, \$126.00; from Fort William to Crane Lake, Sask., same Carload, same Mileage, \$282.00—From Quebec to Stratford, Ont., \$93.00; from Port Arthur to Shoal Lake, same Carload, same Mileage, \$183.00—From Quebec to Chatham, Ont., \$102.00; from Port Arthur to Yorkton, same Carload, same Mileage, \$216.00

As in the foregoing comparisons, the rates are shown for all the classes into which freight is divided, with the exception of the Ninth Class. The rates are in cents per 100 lbs., on the different classes of freight:

	Miles	1st Class	2nd Class	3rd Class	4th Class	5th Class	6th Class	7th Class	8th Class	10th Class
Quebec-Stratford ..	597	62c	54c	47c	39c	31c	29c	22c	23c	21c
Pt. Arthur-Shoal L.	594	\$1.38	\$1.15	92c	68c	61c	53c	37c	31c	30c
Quebec-Chatham ..	694	68c	60c	51c	43c	34c	32c	23c	24c	22c
Pt. Arthur-Yorkton	696	\$1.62	\$1.36	\$1.08	80c	72c	62c	44c	38c	36c
Montr'l-Heron Bay	800	\$1.02	86c	70c	50c	42c	36c	36c	35c	35c
Pt. Arthur-Pense ..	797	\$1.78	\$1.49	\$1.18	88c	76c	68c	49c	42c	40c
Montreal-Gravel	894	\$1.05	86c	70c	50c	42c	36c	36c	35c	35c
Pt. Arthur-Morse ..	897	\$1.93	\$1.61	\$1.23	96c	86c	74c	53c	45c	44c
Montreal-Ft. Wm...	995	\$1.05	86c	70c	50c	42c	36c	36c	35c	35c
Ft. Wm.-Crane Lk.	997	\$2.09	\$1.74	\$1.39	\$1.04	94c	81c	58c	48c	47c

To see how the comparisons work out in carload lots, let us take, for example, the Fifth Class rates. From Quebec to Chatham the Fifth Class rate is 34c per 100 lbs. The minimum carload weight for Fifth Class freight is 24,000 lbs., but it is common to have carloads in the neighborhood of 30,000 lbs. Among the articles which are Fifth Class freight are such groceries as sugar, rice, molasses, canned goods, beans, soap, starch, etc., and, to mention another line of goods, nails, tar paper, building paper, bolts and nuts and similar hardware.

From Quebec to Chatham the mileage is 694; the corresponding mileage in Western Canada is from Port Arthur to Yorkton, 696 miles. The

rate on Fifth Class freight from Port Arthur to Yorkton is 72c per 100 lbs., that is to say, 4c more than double the rate from Quebec to Chatham. On carload lots, the figures are \$102.00 from Quebec to Chatham, and \$216.00 from Port Arthur to Yorkton.

It is a simple matter to work out the carload rates for the other mile-ages in the above table. For the first three classes of freight the minimum carload weights for standard cars 36 feet 6 inches in length is 20,000 lbs., for the next three classes, 24,000 lbs., and for the 7th, 8th, and 10th, 30,000 lbs.

HOW THE LONG HAUL WORKS OUT

Let Your Eye Run Down the "Per Ton Per Mile" Column Printed in Black-Face Figures in the Table Below, and Observe How, Instead of Decreasing with the Length of the C.P.R.'s Long Haul, the Figures Increase—And Yet "The Movement Expenses Per Ton Per Mile Grow Less with Every Increase in the Length of the Haul"

It is a fundamental, and obvious, principle in connection with the cost of railway operation that the long haul costs the railway company less than the short haul. The distance which a consignment has to be hauled is a factor in the cost of the transportation service rendered by the railway—all the more so when the longer reaches of the long haul are on the prairies of this continent; the weight of the consignment is likewise a factor.

The point in regard to both factors is that the railway's operating costs do not rise proportionately with the increase in either factor. It costs less per hundredweight to transport goods in carload lots than in smaller quantities; and less in train loads than in single carloads. Hence the lower rates on carload lots than on less than carload lots; and hence the lower rates given by the railways that carry coal, iron ore and other commodities in full train loads.

Likewise with the increase of the length of the haul. To quote from the latest authoritative work on the subject, "Railroad Traffic and Rates," by Johnson and Huebner (New York and London: D. Appleton and Company, 1911), Vol. I., page 367, "The charges for long hauls are properly "less per ton per mile than are the rates for short distances." On the same page we read this obvious statement: "The movement expenses per "ton per mile grow less with every increase in the length of haul, and "the terminal expenses, which must also be covered by the rate charged, "are less per ton per mile when distributed over a long haul."

A railway's rate schedules, therefore, if its rates are equitable, should show rates decreasing per ton per mile with the increasing length of its long haul.

Let us see how this applies to the C.P.R. The following table shows the all-rail carload rate in cents per 100 lbs. on 5th Class freight, and

shows also the same rate figured out on the per ton per mile basis and the same rate figured out for a carload, from Montreal to Port Arthur (or Fort William), from Montreal to Winnipeg, and from Montreal to each of the divisional points on the C.P.R. west of Winnipeg as far as Calgary, Portage la Prairie and Regina, which are not divisional points, being included in the table for the sake of making the showing full and fair:

From Montreal to—	Miles	Per 100 lbs.	Per ton per mile	Per carload
Port Arthur	991	42c	.847c	\$126.00
Winnipeg	1414	71c	.976c	\$213.00
Portage la Prairie	1470	75c	1.020c	\$225.00
Brandon	1547	82c	1.060c	\$246.00
Broadview	1679	\$1.02	1.210c	\$306.00
Regina	1772	\$1.04	1.174c	\$312.00
Moose Jaw	1813	\$1.07	1.180c	\$321.00
Swift Current	1924	\$1.21	1.258c	\$363.00
Medicine Hat	2071	\$1.31	1.265c	\$393.00
Calgary	2251	\$1.35	1.200c	\$405.00

In the calculation for Winnipeg allowance is made for the fact that the railway rate includes 2c per 100 lbs. for cartage, making the net railway rate 69c.

For the sake of clearness and simplicity, only the 5th Class rate is shown. That rate is a fair sample of all the rates. Among the articles which are 5th Class freight are such groceries as sugar, rice, molasses, canned goods, soap, beans, starch, etc., and, to mention another line of goods, nails, tar paper, building material, bolts and nuts and similar hardware. The minimum carload weight for 5th Class is 24,000 lbs.; 5th Class carloads ordinarily run to about 30,000 lbs., which is the weight used in the last column of the above table.

Let your eye run down the "per ton per mile" column, printed in black-face figures. You will note that the figures increase with the increase of the length of the long haul, instead of decreasing in accordance with the principle set forth in a preceding paragraph. If the above table had been one of mileages in Eastern Canada, the "per ton per mile" column would decrease from top to bottom, as will be shown.

The showing made by the above table would be more unfavorable to the C.P.R. if the Portage la Prairie and Regina rates were omitted, and the table confined solely to divisional points, the distance between which are pretty uniform points. The Regina and Calgary rates are the only ones which show a drop in the "per ton per mile" figures. For this "there is a reason"; but to go into that would make this article altogether too long.

In noting the mounting "per ton per mile" rate shown above, do not fail to observe also the queer differences between the jumps in the rate—between the 20c 132-mile Brandon-to-Broadview jump and the 5c 134-mile Broadview-to-Moose Jaw jump, for example. The more the above table is studied, the more will it be found to support the view that there is neither sense nor justice in the freight rates in Western Canada.

THE RATES FROM THE BOUNDARY

How the C.P.R. and the Canadian Northern, Working Together, Use Their Control of the Mileage from the International Line to Keep Up the Rates from the East

In the old fur-trading days, when Fort Garry was, as Winnipeg is, the headquarters and the centre of distribution in what is now Western Canada, the traffic routes to this strategic meeting place of the Red and the Assiniboine were water routes. Goods were brought from the old country via Hudson Bay, from the East by the water route from Fort William that was travelled by the Wolseley expedition in the troublous times of forty-one years ago, and from the South by Red River carts across the plains from St. Paul, the Red River also being used from Moorehead as a traffic route. At this day and date not a pound of freight is brought into Winnipeg that is not brought in by either the C.P.R. or the Canadian Northern.

The C.P.R. and the Canadian Northern control the mileage from the international boundary to this city and the terminals here, and working together, they make use of that control to keep freight rates up to the level they judge fitting and proper in the interests of their own long haul.

If you wanted a carload, or any other quantity, of freight hauled from Montreal, or Toronto, or Brantford, or Hamilton, or anywhere else in the East to Winnipeg, you would find that by bringing it round through the States via Chicago and St. Paul, you could get it as far as the Manitoba boundary at a cost very considerably less than the cost of having the C.P.R. bring it all the way to Winnipeg, or of having it come via the Canadian Northern from Port Arthur.

If you could get it hauled from the boundary to Winnipeg at a rate corresponding to that at which it was hauled from St. Paul to the boundary, it would mean a big saving. But the C.P.R. and the Canadian Northern, acting in perfect unison and accord, have everything fixed to prevent your making that saving. They charge such heavy rates on the short haul from the boundary to Winnipeg as to discourage you from bringing it in that way, instead of bringing it in over their tracks from the East, at rates adjusted in accordance with the principle of "all that the traffic will bear."

That is to say, the C.P.R. and the Canadian Northern do precisely what they would be doing if they had the power—and exercised it—of building a tariff wall at the boundary and collecting, over and above a fair and just freight charge on all freight coming in, an impost such as the barons used to exact from travellers along the highways commanded by their castles. The same impost, of course, is included in the rates charged by

the C.P.R. and the Canadian Northern for bringing freight into this city over their own long hauls.

"All That the Traffic Will Bear"

The modus operandi of this was strikingly lighted up when the case in regard to the coal rate from Lake Superior to this city was before the Dominion Railway Commission. That rate is \$2.50 per ton. From Duluth to this city the rate is \$3.00 per ton. In order to get the rate from Duluth reduced to \$2.50, the Great Northern offered to turn over to the Canadian railways 50 more cents of the rate for carrying the coal from Duluth to the boundary, so that the Canadian railways would still be getting the same amount as from the \$3.00 charge. The offer was refused, the Canadian railways announcing that whatever the rate was made on coal from Duluth to the boundary, they would fix the rate from the boundary to Winnipeg so high as to make the total rate from Duluth to Winnipeg higher than the rate from Port Arthur and from Fort William to Winnipeg. The Railway Commission declined to take any action.

The distance from St. Paul to the boundary (Noyes, Minn.), is 392 miles, and from Emerson to Winnipeg is 64 miles. The local rates from St. Paul to Noyes, and from Emerson to Winnipeg on the five classes of freight which may be termed the merchandise classes, and on Class A, corresponding to Sixth Class in this country, and including implements, are as follows per 100 lbs.:

	Miles	1st.	2nd.	3rd.	4th.	5th.	A or 6th.
St. Paul to Noyes, Minn.	392	67c.	56c.	45c.	34c.	27c.	30c.
Emerson, Man., to Winnipeg	64	32c.	27c.	23c.	18c.	16c.	11c.

The local rates north and south of the boundary present quite a contrast, it will be observed. Taking the Fifth Class, in which they come closest together, and in which the comparison is thus the most favorable to the Canadian rate, we find that the rate from St. Paul to Noyes is 27c. per 100 lbs., that is \$5.40 per ton, which, divided by the mileage, namely, 392, gives \$1.38 per ton per mile. The rate from Emerson to Winnipeg works out to an even 5c per ton per mile.

By a similarly simple operation in arithmetic, we arrive at the conclusion that if 100 lbs. of Fifth Class were carried all the way from St. Paul to Winnipeg at the rate at which it is carried from St. Paul to Noyes, it would be carried from St. Paul to Winnipeg for 31½c. Add 2c. for cartage, and we get 33½c. As a matter of fact, the Fifth Class rate from St. Paul to Winnipeg is 40c. That is to say, a difference of 6½c. per 100 lbs., or \$26.00 per carload.

The rates straight through from St. Paul to Winnipeg are less than the local rates from St. Paul to the boundary plus the rates from the boundary to Winnipeg, shown above. The following table shows, first,

the above rates added together, next, the rates from St. Paul to Winnipeg, and then the proportions of the latter rates which the Canadian Northern and the Great Northern take respectively:—

	1st.	2nd.	3rd.	4th.	5th.	A or 6th.
Totals of above local rates	99c.	83c.	68c.	52c.	43c.	41c.
Rates St. Paul to Winnipeg	89c.	75c.	60c.	45c.	40c.	34c.
Canadian Northern's share	31c.	27c.	22c.	17c.	14c.	11c.
Great Northern's share	58c.	48c.	38c.	28c.	26c.	23c.

One-fourth of the Rate for One-Seventh of the Haul

That is to say, taking again the Fifth Class rate, the railway that hauls the 100 lbs. the 392 miles from St. Paul to the boundary gets 26c., and the railway that hauls it the remaining 64 miles to Winnipeg takes 14c. (including 2c. for cartage.) The railway with the final mileage and the terminals is, it must be kept in mind, always the one that lays down the terms of division. The C.P.R. and the Canadian Northern used to be content with a somewhat smaller proportion of the rate from St. Paul. But some time ago they fixed the proportions at 67½ per cent. and 32½ per cent. respectively. That is, they get practically one-third of the rate for doing less than a seventh of the hauling.

In thus setting forth the manner in which the C.P.R. and the Canadian Northern co-operate fraternally in laying a heavy burden of excessive freight rates on traffic from the South, in the interests of their revenue from their own long hauls, there is not the least intention of picturing the railways across the line as philanthropic institutions. The Great Northern system has extended itself to Portage la Prairie and to Brandon, and in neither case has it done any rate-cutting; on the contrary, these branches are operated in quite fraternal accord with the methods and rates of our own railway systems.

Several years ago, after the C.P.R. and the Canadian Northern had compelled the Northern Pacific and the Great Northern to acquiesce in increased commodity rates from St. Paul to Winnipeg, a statement was made public from Mr. J. M. Hannaford, Second Vice-President and General Manager of the Northern Pacific system, to the effect that the Northern Pacific was ready and anxious to co-operate in establishing lower rates to this city.

WHO PAYS THE FREIGHT RATES?

Not the Manufacturer, not the Wholesaler, not the Retailer, but the Ultimate Consumer—Every Dollar in Excess of Fair and Equitable Rates is Railway Robbery of the Public

The freight rates levied by the railway companies on the commodities they haul into Winnipeg, and which are consumed here, and the additional freight rates they levy on the commodities which, having hauled them into Winnipeg, they haul out of Winnipeg later on for distribution throughout the wide territory for which this city is the distributing centre, come out of the pocket of the ultimate consumer.

In regard to customs tariff taxation, there are various hocus-pocus arguments which have been resorted to by the advocates of protectionism, such as that good old stand-by that "the foreigner pays the duty." But in regard to freight rate taxation, no such hocus-pocus is possible.

When the individual householder—whether he lives in Winnipeg, High Bluff, Morden, Dauphin, Yorkton, Bird's Hill, or elsewhere—pays for his sugar, coal oil, dry goods, apples, canned goods and other household supplies, he pays the freight that the railway companies have levied on them. The railway companies have, of course, already collected the freight charges; but the wholesaler has recouped himself from the retailer, as the retailer recoups himself from the ultimate consumer.

Not theoretically, but in actual practice, the railway companies thus exercise a power which is supposed to be a sovereign power of the commonwealth—the power of levying taxation.

The Government has its customs houses and its customs officials; and the railway companies have their freight offices and their freight officials. Every dollar levied in the form of freight rates beyond what is necessary to furnish a fair and equitable profit to the railway companies, over and above all expenses of maintenance, operation and renewals, is simply the imposing of a forced levy on the public.

The ultimate consumer is the goose that lays the golden egg. It is an old adage, approved by the wisdom of the ages, that a creature so useful and valuable should not be killed, but should be so treated as to ensure the continued product of golden eggs. The art and practice of the wisdom of that adage, as applied to freight rates by the railway companies, are summed up in the phrase, "All that the traffic will bear." A customs duty, if it is raised beyond a certain point, will yield a decreasing revenue; so is it necessary, in the interest of railway revenue, that freight rates shall not be so high as to lessen the return of golden eggs.

Wholesalers have been heard to say that within that limit, the higher the freight rates, the larger their return, as well as the return of the railway companies. They figure their percentage of profit on the cost to them of the goods they sell—which cost, of course, includes the freight charges. The retailer does likewise. The purchaser from the retailer is the person who pays the freight rates.

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THE RATES ON CATTLE

How C.P.R. Charges from Shipping Points in Saskatchewan and Alberta Compare with the Great Northern and Northern Pacific Rates for Corresponding Mileages—Swift Current to Winnipeg, \$81.60; Minot, N.D., to St. Paul, Same Carload, Same Distance, \$63.60—Calgary to Winnipeg, \$108.00; Custer, Mont., to St. Paul, \$88.80.

The figures which follow are those of the freight rates on cattle from stations on the C.P.R. in Saskatchewan and Alberta, and of the Great Northern and Northern Pacific freight rates on cattle from stations in North Dakota and Montana, showing corresponding mileages or mileages as nearly corresponding as can be found in the distance tables:

	Railway	Miles	Per car (24,000 lbs.)
Swift Current to Winnipeg	C.P.R.	510	\$81.60
Minot, N.D. to St. Paul	G.N.R.	513	63.60
Hebron, N.D. to St. Paul	N.P.R.	521	66.00
Maple Creek to Winnipeg	C.P.R.	596	\$88.80
Medora, N.D. to St. Paul	N.P.R.	600	78.60
White Earth, N.D. to St. Paul	G.N.R.	587	67.20
Medicine Hat to Winnipeg	C.P.R.	660	\$93.60
Culbertson, Mont. to St. Paul	G.N.R.	687	84.00
Glendive, Mont. to St. Paul	N.P.R.	666	78.00
Gleichen to Winnipeg	C.P.R.	784	\$103.20
Glasgow, Mont. to St. Paul	G.N.R.	791	94.80
Forsythe, Mont. to St. Paul	N.P.R.	790	84.00
Calgary to Winnipeg	C.P.R.	840	\$108.00
Malta, Mont. to St. Paul	G.N.R.	847	96.00
Custer, Mont. to St. Paul	N.P.R.	839	88.80
Jackson to Winnipeg	C.P.R.	935	\$120.00
Columbus, Mont. to St. Paul	N.P.R.	932	98.40
Chinook, Mont. to St. Paul	G.N.R.	922	104.40

It will be noted that in most of the above comparisons the Northern Pacific rates are lower than the Great Northern rates. To inquire into that matter is beyond the scope of these articles. The point which concerns us is that in every case the C.P.R. rate is higher than both the Great Northern and the Northern Pacific rates for the corresponding mileages—the C.P.R. figures running as high as 23 per cent. higher than the Great Northern, and as high as 32 per cent. higher than the Northern Pacific. It is to be noted that Minot, in addition to being a Great Northern

station is also on that portion of the C.P.R. system known as the Soo Line, and that on shipments of cattle from that North Dakota point to St. Paul the C.P.R., of course, meets the Great Northern rate of \$63.60 for that 513 mile haul, while levying \$81.60 for the 510 mile haul of a like carload of cattle from Swift Current. Not that the cattle raised in the vicinity of Swift Current, Sask., insist on more luxurious cars than those which satisfy the cattle raised in the vicinity of Minot, North Dakota, or that it is more difficult, or more costly, to haul a carload of them eastward than it is to haul a carload from Minot of equal weight. The only explanation is the fact that (to paraphrase the declaration of the Minister of Railways above referred to) in spite of the good work of the Dominion Railway Commission, the rates in Western Canada are higher than in the United States.

THE MINIMUM CARLOAD WEIGHT

A High Minimum Means Heavier Freight Charges—How the Railways Have Been Planning to Apply to the Railway Commission for Power to Increase Their Revenues in This Way

In considering the toll which the railway companies levy upon the freight they haul, it must be kept in mind that the scheduled rate per 100 lbs. does not tell the whole tale. For each class of freight there is a minimum carload weight specified. There are cases where the minimum weight, on which freight must be paid, cannot be got into a car. There are other cases in which a carload exceeds the minimum—and in these cases, needless to say, the freight charge is based on the actual weight hauled.

There is the very best reason to believe that the railway companies have their plans all worked out for applying to the Dominion Railway Commission for permission to increase the minimum carload weights in all classes. This will not be an application to increase freight rates. Not at all. But the result would, of course, be precisely the same as increased freight rates. The revenue-producing power of each car—its power of extracting money out of the pocket of the ultimate consumer who, in every case, pays the freight charges, just as he pays the customs duties—would be increased. The railway systems in the United States recently endeavored to obtain authority from the Interstate Commerce Commission to put into operation all-round increases on rates from the Atlantic seaboard to the Western States, but were refused that authority. The chief freight officials of the railway systems in this country are figuring on getting the same result by a strategic flank movement, instead of by a direct frontal assault, like the one which failed in the United States.

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COAL RATES NORTH AND SOUTH OF THE LINE

Showing How the C.P.R. (Soo Line) Carries Coal under the Stars and Stripes for \$1.50 per ton, but Charges \$3.05 per ton for Coal Hauled on Western Canadian Soil—Nor does the Canadian Northern Lag Behind in the Rapacity of its Charges for Carrying Coal

In the comparisons made farther on in this article between the coal rates north and south of the international boundary, the stations selected are those which come nearest to giving mileages of 100, 200, 300, 400, 500 and 600 miles, respectively, from coal shipping points. It should be explained, in the case of hauls entirely within North Dakota, that the Railway Commission of that State ordered rates lower than the inter-State rates, the comparison being as follows:—

	North Dakota Previous Inter-rate.	State rate.
100 miles	\$0.61	\$0.98
200 miles	\$0.95	\$1.38
300 miles	\$1.19	\$1.71
400 miles	\$1.44	\$1.92
500 miles	\$1.69	\$2.19

The railways appealed against these rates but the Supreme Court decided against them, upholding the North Dakota Railway Commission.

The following are the comparisons of the coal rates now in operation north and south of the boundary, from coal shipping points to stations selected as explained in the foregoing paragraph:

From	Railway.	Miles.	(2,000 lbs.)	Per ton
Strathcona to Red Deer, Alta.	C.P.R.	97		\$1.65
Edmonton to Innisfree, Alta.	C.N.R.	99		1.60
Estevan, to Melita, Man.	C.P.R.	98		1.00
Williston, N.D., to Berthold, N.D.	G.N.R.	99		.61
Edmonton to Waseca, Sask.	C.N.R.	196		\$2.20
Strathcona to Calgary	C.P.R.	192		2.20
Estevan to Chaplin, Sask.	C.P.R.	199		2.00
Williston to Knox, N.D.	G.N.R.	197		.95
Edmonton to Radisson, Sask.	C.N.R.	298		\$2.60
Strathcona to Cassils, Alta.	C.P.R.	297		2.65
Estevan to Carmichael, Sask.	C.P.R.	300		2.35
Williston to Shawnee, N.D.	G.N.R.	306		1.19
Wilton, N.D., to Barrett, Minn.	C.P.R. (Soo)	294		1.50

From	Railway	Miles	Per ton
Edmonton to Carmel, Sask.	C.N.R.	392	\$3.10
Estevan to Insinger, Sask.	C.P.R.	395	3.05
Williston to Kindred, N.D.	G.N.R.	399	1.41
Wilton to Annandale, Minn.	C.P.R. (Soo)	396	1.50
Edmonton to Rama, Sask.	C.N.R.	499	\$3.70
Estevan to Plunkett, Sask.	C.P.R.	504	3.45
Williston to Cayuga, N.D.	G.N.R.	507	2.20
Kenmare, N.D., to Buffalo, Minn.	C.P.R. (Soo)	482	1.75
Edmonton to Kamsack, Sask.	C.N.R.	549	\$3.80
Strathcona to Herbert, Sask.	C.P.R.	548	3.85
Estevan to Cheviot, Sask.	C.P.R.	545	3.60
Williston to Aberdeen, S.D.	G.N.R.	577	2.40
Lehigh to Pembina, N.D.	N.P.R.	521	2.25

On July 13 last the Canadian Northern issued a revised and amended coal tariff, which made many increases, and a few reductions, on the rates previously in operation. For instance, in the above table, the first rate quoted, \$1.60, was \$1.40 previous to July 10 last. Edmonton to Waseca, now \$2.20, was \$2.10. Edmonton to Radisson, on the other hand, now \$2.60, was \$2.80. The changes made by the present Canadian Northern coal tariff, issued on the date which has just been mentioned, may be summarized as follows: Reductions, 10c. in 50 mile haul, 20c. in 300 mile haul, and 10c. in 350, 400 and 450 mile hauls; increases, 20c. in 100 mile haul, 30c. in 150 mile haul, 30c. in 500 mile haul, 20c. in 550 mile haul, 40c. in 600 mile haul, and 20c. in 650 mile haul. The explanation of these changes are among the freight mysteries which, according to the freight rate officials, the ordinary man is incapable of understanding and is impious to seek to inquire into.

Fitting and proper comment on the above shown contrasts between the coal rates north and south of the boundary can be made by the reader for himself. It may be noted that the C.P.R. carries coal in the United States for \$1.50 per ton for a 396 mile haul, while it charges \$3.05 per ton for hauling it 395 miles in Western Canada. It is to be noted further in connection with that \$1.50 rate from Wilton to Annandale that it is not a rate under the jurisdiction of the North Dakota Railway Commission, the haul being an inter-State one. It is a rate made by the railway, not by any Railway Commission; and the same is to be said of the Wilton to Barret rate, the Kenmare to Buffalo rate and the Williston to Aberdeen rate. On the 482 mile haul under the Stars and Stripes, the Canadian Pacific Railway, it will be noted, charges \$1.75, while on the 504 mile haul in Saskatchewan (these two, to Buffalo, Minn., and to Plunkett, Sask., respectively, being the nearest stations to the 500 mileage) it patriotically charges \$3.45, the Canadian Northern, on the corresponding 499 mile haul to Rama, Sask., still more patriotically extorting \$3.70.

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HOW THE RAILWAYS TAX PRAIRIE TREE-PLANTING

Comparisons of the Freight Rates on Nursery Stock and Shrubbery from Port Arthur and Fort William to Points in Western Canada, with the Rates from St. Paul or Minneapolis or from Duluth, to Points at Corresponding Mileages in Minnesota, North Dakota and Montana

It is surely not necessary to dwell at length on the importance of tree-planting on the prairies. It is a thing of the foremost importance in the development of this country. Its importance has been placed strikingly before public attention in connection with the preaching of the gospel of conservation of natural resources. What trees mean in this country to the people who are developing the resources of the soil, and to live stock, does not require to be set forth here. Everybody is aware of the importance of tree-planting around the homes on the sea-like expanses of fertile soil in Western Canada as windbreaks, as groves to yield shade, as wood lots, as conservers of moisture. Let us see how the railway companies encourage tree-planting.

The following are the rates on nursery stock and shrubbery from Port Arthur and from Winnipeg, on the C.P.R., and from St. Paul (which means Minneapolis also), or Duluth, on the Great Northern, for corresponding mileages, on carload lots of 16,000 lbs. actual weight:

From	Miles.	Charge.	
St. Paul to Albany, Minn.	97	\$20.80	
Winnipeg to Melbourne, Man.	99	38.00	82 per cent. higher
St. Paul to Menahga, Minn.	197	25.60	
Winnipeg to Elkhorn	198	54.00	111 per cent. higher
St. Paul to Crookston, Minn.	300	33.60	
Winnipeg to Wolseley, Sask.	296	76.00	126 per cent. higher
St. Paul to Neche, N.D.	401	40.00	
Winnipeg to Moose Jaw, Sask.	400	90.00	125 per cent. higher
St. Paul to Norwich, N.D.	499	52.80	
Winnipeg to Waldeck, Sask.	499	104.00	100 per cent. higher
St. Paul to Temple, N.D.	601	52.80	
Winnipeg to Maple Creek, Sask.	595	118.00	123 per cent. higher
St. Paul to Glasgow, Mont.	791	52.80	
Port Arthur to Pense, Sask.	798	152.00	188 per cent. higher
St. Paul to Harlem, Mont.	901	59.20	
Port Arthur, Morse, Sask.	897	172.00	190 per cent. higher

From	Miles.	Charge.	
St. Paul to Cascade, Mont.	1,095	68.80	
Port Arthur to Bowell, Alta.	1,096	200.00	190 per cent. higher
St. Paul to Kallspel, Mont.	1,207	75.20	
Port Arthur to Cluny, Alta.	1,197	208.00	178 per cent. higher
St. Paul to Warland, Mont.	1,294	84.80	
Port Arthur to Penhold, Alta.	1,296	222.00	162 per cent. higher
St. Paul to Sand Point, Idaho	1,400	108.80	
Port Arthur to Jerome, Alta.	1,397	256.00	136 per cent. higher

The above are the carload rates, the stations chosen in each comparison being the ones closest to showing 100, 200, 300, 400, 500, 600, 800, 900, 1,100, 1,200, 1,300 and 1,400 mileages. The comparisons are representative. It will be noticed that the rates from St. Paul to Norwich, N.D., to Temple, N.D. and to Glasgow, Mont., are identical; this is because of a ruling of the Interstate Commerce Commission fixing certain maximum rates which must not be exceeded within certain defined territory.

On less than carload lots of trees and shrubbery, in boxes, the comparison of rates north and south of the boundary is no less striking. Of course, much of this business in this country is done by express; and the express rates are more grossly unjustifiable than the freight rates. That, however, is another story. The following are the rates on less than carload lots of nursery stock and shrubbery, in boxes:

From	Rate per 100 lbs.		
	Miles.	Charge.	
St. Paul to Albany, Minn.	97	9½c	
Winnipeg to Melbourne	99	28c	200 per cent. higher
St. Paul to Crookston, Minn.	300	20c	
Winnipeg to Wolseley, Sask.	296	57c	185 per cent. higher
St. Paul to Neche, N.D.	401	24c	
Winnipeg to Moose Jaw	400	67c	179 per cent. higher
St. Paul to Glasgow, Mont.	791	58c	
Port Arthur to Pense, Sask.	798	\$1.19	102 per cent. higher
St. Paul to Harlem, Mont.	901	65c	
Port Arthur to Morse, Sask.	897	\$1.28	108 per cent. higher

The above figures testify with eloquence greater than any eloquence of mere words to the manner in which tree-planting in Western Canada is generously encouraged by the railways. The Canadian Northern rates, it is not necessary to say, correspond with those of the C.P.R.

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A CONTRAST OF RATES

The Freight Charges on a Carload Shipment of Agricultural Implements, Vehicles and Other Articles from Winnipeg to, for Example, Moose Jaw, is \$151.65—From St. Paul to Neche, N.D., Same Carload, Same Distance, \$74.80

Nothing is of more frequent occurrence here in Winnipeg than for a dealer from some point in the West, having purchased implements from a wholesale house, to purchase also vehicles, the whole lot of implements and vehicles being less than a carload, and then to go to a wholesale hardware house to make some purchases. Dealers in towns in the West do not buy implements, or vehicles in carload lots; such towns dot the map of this country, and new towns are constantly springing up. Previous to July 10, 1910, for a short period only, the Canadian Pacific Railway and the Canadian Northern allowed implements and vehicles to be shipped in mixed carloads, as is allowed by the railways in the adjoining States, which also allow, on an additional payment of \$5, a stop in transit for partial unloading, or for completing loading of the car. Since July 10, 1910, the railways in this country insist on implements being shipped in straight carload lots, or, if in less quantities, at the less than carload rate, which is, of course, materially higher than the carload rate. The same way with vehicles.

Let us take a typical case. A dealer in Moose Jaw comes to Winnipeg and buys implements—let us say, to reduce his purchases to freight terms, 16,000 lbs. He buys also buggies—say, seven, which weigh, crated, 3,000 lbs. Next he buys a gasoline engine, weight 1,000 lbs. Of hose, belting and canvas covers, let us say he buys 1,000 lbs., a like weight of pumps and boiler tubes, and twice that weight of iron pipe and fire brick. This is by no means an imaginary shipment. It will serve better than much explanation in general terms, to show how the rates north and south of the line compare.

But to return to our dealer, who has been buying implements and vehicles from a wholesale house in Winnipeg. He goes next to a wholesale hardware house, and makes purchases there. It constantly happens that such dealers try to get their stuff sent along in one car at a carload rate. But the railways will not allow it. The railways have devised a way of making that traffic yield a heavier revenue—which, of course, the farmer who is the ultimate purchaser pays, not the wholesaler or the retailer. The farmer pays the freight; and the railways see to it that he pays all that the traffic will bear.

Here is the freight bill which that dealer has to pay to get his stuff hauled from Winnipeg to Moose Jaw:

Implements, 16,000 lbs. (20,000 lbs. minimum, at 36c per 100 lbs.)....	\$72.00
Buggies, 3,000 lbs., at \$1.48½ per 100 lbs.	44.55

Gasoline engine, 1,000 lbs., at 99c per 100 lbs.	9.90
Hose, belting, canvas covers, 1,000 lbs., at 83c per 100 lbs.	8.30
Pumps, boiler tubes, 1,000 lbs., at 67c per 100 lbs.	6.70
Iron pipe, fire brick, 2,000 lbs., at 51c per 100 lbs.	10.20
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Total, 24,000 lbs.	\$151.65

If that Moose Jaw dealer had his place of business in Neche, N.D., instead, and went to St. Paul and purchased a precisely similar lot of stuff, his freight bill on that carload from St. Paul to Neche—a distance of 401 miles, which is one mile more than the distance of Moose Jaw from Winnipeg—would be \$74.80. There would be a uniform rate of 32c per 100 lbs. That is to say, it would be less than half what he would have to pay the C.P.R. for hauling that carload the same distance westward from Winnipeg, or than what he would have to pay the Canadian Northern for hauling it from this city to Watson, Sask., a like mileage from this city. (The queer \$1.48½ rate is due to the fact that crated buggies are charged once-and-a-half the 1st Class "L.c.l." rate, which is 99c per 100 lbs. to Moose Jaw. This explanation is inserted here to prevent puzzlement.)

The Burden Laid on the Farmers

This is a sample of how the farmer in Western Canada is compelled to pay a heavy tribute to the railway companies, in comparison with the freight rates which the farmer across the boundary pays. In this country implements, including farm wagons, are 6th Class freight, with a minimum carload weight of 20,000 lbs., and vehicles—that is, buggies, carriages, cutters, etc.—are 4th Class, with a minimum carload weight of 14,000 lbs. (A carload of buggies, namely 28, crated, weighs only 12,600 lbs., by the way, and a carload of cutters only 6,000 lbs. But the freight in both cases is figured on above-mentioned minimum weight, 14,000 lbs.) Mixed carloads at carload rates, it may be again repeated, are not allowed. In the above described shipment, the implements go at the carload rate, calculated at the 20,000 lbs. minimum (though there are only 16,000 lbs. of them); and all the other freight in the car goes at the various "L.c.l." (less than carload) rates, as shown in the statement, ranging as high as \$1.48½ per 100 lbs.

Across the line, on the contrary, the Great Northern, the Northern Pacific and the Soo Line (which is the C. P. R.), class implements and vehicles together, and allow at the carload rate, mixed cars of not implements and vehicles alone, but also of gasoline engines, pumps, pipe, pipe connections, canvas covers, hoisting jacks, boiler tubes, fire brick, hose and belting. With the stop in transit privilege for an extra charge of \$5—no such thing being allowed on this side—the wholesalers across the line can so adjust their shipments as to fill the orders of their customers and make the freight the farmer has to pay lighter by a great

deal than the freight which the railways in this country extract from the farmer. Mixed shipments of implements and vehicles cannot be made in this country, even if the whole shipment is paid for at the higher rate. This works out expensively for all the smaller towns, where dealers cannot handle carload lots of vehicles and carload lots of implements; it furnishes a glaring example of the application of the principle of "all that the traffic will bear."

Comparisons on a Carload of Implements

In the following comparisons a straight carload of implements is taken in each case as starting from Winnipeg, part of the car being destined for one point, and the remainder for another point; a carload is also taken as starting from St. Paul, or Minneapolis, for a point of corresponding mileage with the farther point the Winnipeg car is headed for, the St. Paul car having, at a charge of \$5 extra, the right of being partly unloaded at a point on the way:

From	Miles.	Rate.
Winnipeg to Rathwell	70	\$24.00
Rathwell to Souris	81	34.00
	151	\$58.00
St. Paul to Eagle Bend, Minn.	155	\$35.40
Extra for stop in transit	—	5.00
		\$40.40

The rate from Winnipeg is 45 per cent. higher.

Winnipeg to Manitou	103	\$32.00
Manitou to Medora	110	36.00
		\$68.00
St. Paul to Barnesville, Minn.	219	\$46.00
Extra for stop in transit	—	5.00
		\$51.00

Rate from Winnipeg is 33 1-3 per cent. higher.

Winnipeg to Solsgirth	186	\$42.00
Solsgirth to Churchbridge	60	30.00
	246	\$72.00
St. Paul to Kindred, N.D.	249	\$52.00
Extra for stop in transit	—	5.00
		\$57.00

Rate from Winnipeg is 26 per cent. higher.

From	Miles	Rate
Winnipeg to Yorkton	279	\$56.00
Yorkton to Dafoe	103	40.00
	382	\$96.00
St. Paul to Humboldt, N.D.	384	\$60.00
Extra for stop in transit	—	5.00
		\$65.00
Rate from Winnipeg 48 per cent. higher.		
Winnipeg to Napinka	185	\$42.00
Napinka to Alameda	72	34.00
	257	\$76.00
St. Paul to Belle Plaine, N.D.	258	\$56.00
Extra for stop in transit	—	5.00
		\$61.00
Rate from Winnipeg 24 per cent. higher.		
Winnipeg to Killaley	302	\$62.00
Killaley to Cupar	66	34.00
	368	\$96.00
St. Paul to Chatham	367	\$60.00
Extra for stop in transit	—	5.00
		\$65.00
Rate from Winnipeg 48 per cent. higher.		

This table deals with only one feature of the railway rates on agricultural implements in this country, as contrasted with the rates across the line. In both countries, needless to say, the farmers who buy the implements are the individuals who pay the freight rates, just as the ultimate consumers of imported articles on which there is customs taxation are the individuals who pay the duty.

Rates on Building Material

Immense quantities of building material are used in this country. The rates on dimension stone, cement building blocks, etc., in Manitoba, as compared with the rates in Minnesota and North Dakota, are, for distances of from 100 to 500 miles, from \$12 to \$18 per car (40,000 lbs.), or from 27 to 55 per cent. higher; while in Saskatchewan the rates run from \$14 to as high as \$24 per car, or from 36 to 64 per cent., higher than the rates for corresponding mileages south of the boundary.

Many more such comparisons of the rates north and south of the line on the material in question might be given. Suffice it to say that the rates in Manitoba on drain and building tile run from \$26 to \$56—that is, from 82 to 118 per cent.—higher per carload than the rates across the line. In Saskatchewan the rates are higher than in Manitoba, and run from \$30 to \$68 per carload than for corresponding mileages over the boundary, where the Canadian Pacific Railway, on the Soo Line of its great international system, has like rates, of course, with the Great Northern and Northern Pacific. That is to say, the C.P.R. charges, for example, \$32 for carrying a carload of building tile, or drain tile, or fire brick, two hundred miles in the United States, while it charges \$64, or twice as much, for carrying an exactly similar carload two hundred miles in Manitoba.

The rates on building tile, drain tile, fire brick and fire clay are still higher, and may in this article be looked into a little more closely. The following are representative comparisons:—

From	Miles.	Rate per 100 lbs.
St. Paul to Grand Forks, N.D.	321	11c.
Winnipeg to Indian Head	315	19c.
St. Paul to St. Hilaire, Minn.	340	11c.
Winnipeg to McLean, Sask.	334	19c.
Duluth to York, N.D.	423	13c.
Winnipeg to Mortlach, Sask.	424	22c.
Duluth to Roth, N.D.	498	13c.
Port Arthur to Bagot, Man.	494	25c.
Winnipeg to Rush Lake, Sask.	490	24c.
St. Paul to Surrey, N.D.	506	13c.
Winnipeg to Swift Current	510	25c.
Duluth to Kenaston, N.D.	555	15c.
Winnipeg to Carmichael, Sask.	554	27c.
Port Arthur to Brandon	557	27c.
Duluth to Larson, N.D.	596	15c.
Winnipeg to Maple Creek, Sask.	596	28c.
Port Arthur to Routledge, Man.	597	29c.
Duluth to Mondak, Mont.	649	17c.
Winnipeg to Coleridge, Alta.	652	30c.
Port Arthur to Red Jacket, Sask.	650	34c.

Rates on Cereals and Cereal Products

The following table of comparisons between the rates on cereals and cereal products, uncooked, in carload lots, north and south of the bound-

ary, in addition to illustrating how the rates in this country are higher than the rates in the States across the line, furnish also a couple of cases of those absolutely unexplainable and unjustifiable discrepancies between mileages and freight rates on the one line of railway, which are of not at all infrequent occurrence:

From	Rate per	
	Miles.	100 lbs.
Duluth to Grand Forks, N.D.....	298	11c.
Port Arthur to Kenora.....	297	20c. \$36.00 more per car.
Duluth to Tolna, N.D.	422	13c.
Port Arthur to Winnipeg	424	20c. \$28.00 more per car.
Duluth to Bantry, N.D.	476	15c.
Pt. Arthur to Portage la Prairie	479	21c. \$24.00 more per car.
Duluth to Stanley, N.D.	558	16½c.
Port Arthur to Brandon	557	22c. \$22.00 more per car.
Duluth to Stanley, N.D.	558	16½c.
Port Arthur to Minnedosa	558	30c. \$54.00 more per car.
Duluth to Tioga, N.D.	595	17½c.
Port Arthur to Hartney	590	22c. \$18.00 more per car.
Duluth to Tioga, N.D.	595	17½c.
Port Arthur to Oak Lake, Man.	589	31c. \$54.00 more per car.
St. Paul to Milk River, Mont.....	775	23c.
Port Arthur to Regina	781	33½c. \$42.00 more per car.
St. Paul to Hinsdale, Mont.....	830	25c.
Port Arthur to Moose Jaw	823	33½c. \$34.00 more per car.

In glancing down these figures, it will not escape notice that the stations of Stanley and Tioga in North Dakota, appear twice. The two appearances of the former are in conjunction with Brandon and Minnedosa respectively, and the two appearances of the latter in connection with Hartney and Oak Lake respectively. These are the cases of unexplainable discrepancies between mileages and freight rates on the one line of railway above referred to. Why should the C.P.R. charge 8c. per 100 lbs., or \$32.00 per car, more for hauling a carload the 558 miles from Port Arthur to Minnedosa than it charges for hauling it the 557 miles from Port Arthur to Brandon? And why should the C.P.R. charge 9c. per 100 lbs., or \$36.00 per car, more for hauling a carload the 589 miles from Port Arthur to Oak Lake than it charges for hauling it the 590 miles from Port Arthur to Hartney? It is in the presence of such mysteries as these that the average citizen realizes what the meaning of the high traffic officials of the railway companies is when they inform him that freight rates are matters too deep, intricate and abstruse for him to hope to understand, and that all it is necessary for him to give his attention to is the paying of the freight.

RATES ON CANNED FRUITS AND VEGETABLES

Contrasts Between the Charges Levied in this Country and the Charges on Like Shipments for Corresponding Mileages South of the Boundary

The following are the freight rates on carloads, straight or mixed, of canned goods, or fruits, vegetables, etc., in glass or in stone jars, boxed or crated, from St. Paul, and from Winnipeg, to points at corresponding mileages on the Great Northern and on the C.P.R., or at mileages as nearly corresponding as are to be found in the distance tables. There is also shown, in connection with each comparison, the excess of the freight rate in this country over the rate on the other side of the international boundary:

From—	Miles	Rate per 100 lbs.	Difference per carload.
St. Paul to St. Cloud, Minn.	76	6.5c	
Winnipeg to Macgregor, Man.	78	18.0c	\$41.40
St. Paul to Sauk Centre, Minn.	118	10.8c	
Winnipeg to Sewell, Man.	115	21.0c	\$36.72
St. Paul to Fergus Falls, Minn.	188	15.5c	
Winnipeg to Hargrave, Man.	189	27.0c	\$41.40
St. Paul to Breckenridge, Minn.	214	17.5c	
Winnipeg to Fleming, Sask.	212	29.0c	\$41.40
St. Paul to Moorhead, Minn.	242	18.7c	
Winnipeg to Wapella, Sask.	236	33.0c	\$51.48
St. Paul to Crookston, Minn.	300	20.2c	
Winnipeg to Wolseley, Sask.	296	38.0c	\$64.08
St. Paul to Thief River Falls, Minn.	347	21.4c	
Winnipeg to Balgonie, Sask.	343	41.0c	\$70.56
St. Paul to East Grand Forks, Minn.	322	21.4c	
Winnipeg to Indian Head, Sask.	316	39.0c	\$63.36
St. Paul to Minot, N.D.	513	40.0c	
Winnipeg to Swift Current, Sask.	510	54.0c	\$50.40
St. Paul to Williston, N.D.	634	55.0c	
Winnipeg to Irvine, Alta.	636	62.0c	\$25.20

Of the Minnesota and North Dakota stations shown in the above table, two—namely, Thief River Falls, Minn., and Minot, N.D.—are served by the Soo Line of the C.P.R., as well as by the Great Northern at identical rates, of course. Across the boundary, as in this country, the whole freight rates structure, like a spider's web, is delicately interwoven. These comparisons between the railway rates in this country and the railway rates in the adjoining States are being spread before the public in order to increase the general enlightenment in regard to, and to stimulate thought upon, this whole matter of railway rates, which is simply one branch of the great subject of public taxation. Not the manufacturer, or the wholesaler, or the retailer, but the ultimate consumer pays the freight rate.

THE PIPE RATES

Contrasts Between the Figures North and South of the Boundary, Including Some Striking Examples of the Puzzles, not to say Mysteries, that Abound in Freight Rates

Below are a few representative comparisons of the rates north and south of the line on pipe, iron or steel, cast, wrought, welded or seamless, couplings, connections, fittings, valves, in carload lots. The Great Northern figures, it must be explained, are for all sizes of pipe; the C.P.R. figures are double, the first being for all wrought pipe, irrespective of size, and for cast pipe under 4 inches, and the second for cast pipe 4 inches and over:

From.	Rate per 100 lbs.
St. Paul to Albany, Minn.	10c
Winnipeg to Melbourne, Man.	19c and 13c
St. Paul to Menahga	17c
Winnipeg to Elkhorn	27c and 16c
St. Paul to Crookston	21c
Winnipeg to Wolseley	38c and 22c
St. Paul to Neche	25c
Winnipeg to Moose Jaw	45c and 27c
St. Paul to Norwich	40c
Winnipeg to Waldeck	52c and 31c
St. Paul to Temple	47c
Winnipeg to Maple Creek	59c and 34c

These comparisons, like all the comparisons in these articles, are, it may be here repeated, representative comparisons. If other stations at corresponding distance from St. Paul and from Winnipeg respectively had been chosen for the above list, the results would be to the same effect. The special C.P.R. rate for cast pipe 4 inches and over deserves a few words. It was introduced only recently, and is one of the many mysterious oddities in freight rates, which are beyond the comprehension of the ordinary wayfaring man. If the rate on cast pipe had been made higher than the rate on wrought pipe, instead of lower, shippers would have had to admit that such a distinction was quite reasonable. Cast pipe comes in smaller pieces than wrought pipe, and therefore calls for more handling; and cast pipe is somewhat easily broken, which wrought pipe is not—for instance, in one carload containing between six and seven hundred pieces, no less than 218 pieces were found to be broken when the car reached Winnipeg. That "there is a reason" for the specially low rate is, of course, evident from the fact that there is such a rate.

CHARGES ON LESS THAN 100 LBS.

How the "Smalls" Rates on Freight Shipments less than a Hundredweight from Winnipeg to Points in this Country Compare with the "Smalls" Rates from St. Paul over Corresponding Mileages

It is the practice of railway companies to fix a minimum freight charge, which is known as the "smalls" rate. The "smalls" rate from Winnipeg on the C.P.R. is the rate for 100 lbs. of first class freight, no charge to be less than 35 cents, cartage not included. The "smalls" rate from St. Paul on the Great Northern is the rate for 100 lbs. of third class freight, no charge to be less than 25 cents. The "smalls" rates may not be considered a matter of very great importance, but it must be kept in mind that in these matters a small difference mounts up into a large total, indeed, in the aggregate volume of the items. The following comparisons show how the "smalls" rates work out, north and south of the international boundary. They are the minimum freight charges from St. Paul and from Winnipeg respectively to the stations that are closest to being 100, 200, 300, 400, 500 and 600 miles distant, on the Great Northern and on the C.P.R.—the rates on the Northern Pacific and the Soo Line (which is the C.P.R.), south of the line, corresponding with the rates on the Great Northern, as the rates on the railways north of the line also correspond. It must be explained here that the C.P.R. rates include 15c. for cartage; allowing for this, it will be seen that the rates from Winnipeg exceed the rates from St. Paul by from 30 per cent. to 75 per cent.:

From	Miles.	"Smalls" rate.
St. Paul to Albany, Minn.	97	25c
Winnipeg to Melbourne, Man.	99	50c
St. Paul to Menahga, Minn.	197	32c
Winnipeg to Elkhorn, Man.	198	57c
St. Paul to Crockston, Minn.	300	40c
Winnipeg to Wolseley, Sask.	296	83c
St. Paul to Neche, N.D.	401	48c
Winnipeg to Moose Jaw, Sask.	400	99c
St. Paul to Norwich, N.D.	500	75c
Winnipeg to Waldeck, Sask.	499	\$1.14
St. Paul to Temple, N.D.	600	90c
Winnipeg to Maple Creek, Sask.	595	\$1.28

THE RAILWAYS' PROFITS ON HAULING WHEAT

The Figures Furnished to the Government by the C.P.R., Under Oath, as Required by Law, Show that on a Wheat Train from Fort William, for Example, the Total Costs Are Within \$1,722.60, While the Revenue from the Train is \$4,320.00

It is frequently said on behalf of the railways in this country that the freight rates they charge on grain do not meet the cost of hauling the grain. This assertion is made the prelude to the plea that the railways have to make up out of the rates on general merchandise the deficit in the traffic receipts caused by their losses on hauling out the grain. The assertion and the plea are quite as true and well-founded as not a few other assertions and pleas made on behalf of the railways in this country.

Without stopping to consider the immense bonuses granted to the railways at the public expense expressly in consideration of their charging reasonable rates for hauling out the crop, let us consider the only information to which there is public access, bearing on the cost of railway operation. There is a blue book published annually by the Department of Railways and Canals at Ottawa, entitled "Railway Statistics of the Dominion of Canada." The statistics in each year's issue cover the twelve months ended with the preceding June 30. The accuracy of these statistics is required by law to be sworn to by the responsible officials of each of the railway companies.

The Vancouver Board of Trade has an application before the Railway Commission, asking, among other things, that the C. P. R. be compelled, in making these annual sworn statements, to furnish the statistical information not in the lump, as at present, but divided up so as to show the expenditures and revenues and traffic handled, and so forth, for each division separately of the C. P. R. system. The C. P. R. is fighting that application with might and main. There are to be further hearings by the Commission in regard to that application next October or November in Vancouver. At the first hearings, which were in Montreal in January last, certain high officials of the C.P.R. were examined, and there was elicited from them with difficulty by counsel for the Vancouver Board of Trade some information going to show that the cost on maintenance and operation in Manitoba, Saskatchewan and Alberta is less than for the rest of the system. This information, however, has never come to public knowledge.

To return now to the grain rates, in regard to which it will be found that the preceding paragraph has a bearing. The total operating expenses of the C.P.R. for the year ended June 30 last, as furnished to the Government under oath by the responsible officials in the C.P.R. head

offices, were \$57,767,540.42. You will find these figures on page 99 of the last Railway Statistics blue book.

On page 108 of the same blue book will be found the figures of "Total Revenue Train Mileage" for the C.P.R.—that is to say, the total number of miles travelled in the year ended June 30 last by trains of all sorts, passenger and freight, on the C.P.R. that were revenue-producing trains. That mileage is given as 38,397,562. The accuracy of these figures, we must not forget, is sworn to.

Now by dividing \$57,767,540.42 by 38,397,562 we obtain the average operating expenses per train mile. The result of this simple arithmetical operation is, omitting decimals, \$1.54. That is to say, the average operating cost per mile per train on the C.P.R. during the twelve months ended with June last was \$1.54.

Needless to say, the cost of operating a grain train here in Western Canada is less than the cost of operating an average train, taking the whole C.P.R. system into account. No space need be wasted in demonstrating that. But let us give the C.P.R. the advantage of assuming that \$1.54 is the cost per mile of operating a wheat train.

A Specimen Wheat Train

Let us apply this figure to a wheat train from, say, Regina to Fort William, a distance of 783 miles. And let us suppose that this train is one of forty cars, each of 60,000 lbs. capacity. Many grain trains are longer than that; more and more powerful types of freight locomotive are being used, and each is loaded up to its capacity of hauling. A forty-car train is a fair one to take. The grain rate from Regina to Fort William is 18c per 100 lbs.

We have now before us the materials for a simple arithmetical operation:

Forty cars, each loaded with 60,000 lbs. of grain, makes a total of 2,400,000 lbs. of grain, or 24,000 times 100 lbs.

The rate being 18c per 100 lbs., we have only to multiply 24,000 by 18 to secure the freight rate revenue to the C.P.R. from the train in question, namely, \$4,320.00.

The operating cost of the train being \$1.54 per mile, and the mileage from Regina to Fort William being 783, we have only to multiply \$1.54 by 783, to get the total operating cost of the train, namely, \$1,205.82.

We come now to the costs in addition to the operating expense. In "Railroad Traffic and Rates," by Johnson & Huebner (New York and London, D. Appleton and Company, 1911), we find it stated, Vol. I, page 364: "About three-tenths of a railroad company's total expenses are capital costs, taxes and other fixed charges, and seven-tenths are oper-

ating and maintenance expenses." At this rate, the costs of the train in question in addition to the operating cost would be \$516.78.

Assembling our figures, we have the following:

Revenue from train		\$4,320.00
Cost of Operation	\$1,205.82	
Other Costs	516.78	
Total Cost of Train		1,722.60
Profit to the Railway Company		\$2,597.40

This is the nearest a person outside the head offices of the C.P.R. can come to figuring the profit there is to the railway in hauling that train load of wheat from Regina. From other points the calculations work out to proportionately the same result. The officials in the head offices of the C.P.R., of course, can figure the matter out exactly. But information of this sort is kept religiously hidden from the public. Why?

That the operating expenses of grain trains in Western Canada average less than \$1.54 per mile—that is, less than the average operation cost, passenger and freight, of the whole C.P.R. system—is, of course, unquestionable. In this connection it is to be noted that in the last report of the Interstate Commerce Commission of the United States the sworn operating cost per train per mile on the Soo Line mileage of the C.P.R. under the Stars and Stripes, is \$1.27, or 27 cents less per mile than the rate used in the above calculation.

Are the other costs in addition, to operation, greater than the \$516.78 set down above? Let them be twice, three times, or four times as great, and there will still be a margin of profit remaining to the C.P.R.—a large margin of profit. What applies to the C.P.R., applies also, of course, to the other railways.

Remembering that the cars that take out the wheat come back laden with various commodities, and that the wheat rates are only a fraction of the rates levied on those commodities, as will be seen in the succeeding pages, the average Western Canadian will not find it hard to master any impulse he may have had to shed tears for the railways when confronted by the assertion and the plea mentioned in the opening sentences of this chapter.

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LOOKING BACKWARD TO THE RATES OF 1900

How the Freight Rates in Operation at the Present Time, on the C.P.R. and on the Great Northern, Compare with the Freight Rates in Operation in January, 1900—Reductions and Increases that Have Been Made in Twelve Years in the Rates from Winnipeg and the Rates from St. Paul for Corresponding Mileages

Years ago Sir William Van Horne, then the General Manager of the C.P.R., made the promise to the Winnipeg Board of Trade, that as the volume of traffic increased, the C.P.R. freight rates would be lowered. How this principle has been lived up to can be seen in the tables printed below, which show how the C.P.R. rates now in operation from Winnipeg compare with the rates that were in operation in January, 1900. To add to the interest and instructiveness of the information thus presented in percentage form, there is given side by side with each rate cited, the percentage figure showing how the principle enunciated by Sir William Van Horne, as noted above, has been lived up to by the Great Northern in respect of the rates out of St. Paul.

Comparisons are made in the only way possible, in order to secure a full, fair and rightful presentation of the whole situation; that is, by taking the rates to points at regular intervals, as nearly as that can be done here in Western Canada, and taking corresponding mileages, as nearly as that can be done, in the adjoining States. There is no other method of comparison possible.

The following are main line comparisons, from Winnipeg, and from St. Paul:

From—	Railway	Miles	Reduction Since Jan. 1, 1900	Increase Since Jan. 1, 1900
Winnipeg to Portage la Prairie....	C.P.R.	56		50 p.c.
St. Paul to Smith Lake, Minn.	G.N.R.	55	37 p.c.	
Winnipeg to Brandon	C.P.R.	134		33 p.c.
St. Paul to Round Prairie, Minn. G.N.R.	G.N.R.	132	28 p.c.	
Winnipeg to Elkhorn	C.P.R.	198	10 p.c.	
St. Paul to Menahga, Minn.	G.N.R.	197	22 p.c.	
Winnipeg to Whitewood, Sask.	C.P.R.	250	7 p.c.	
St. Paul to Wilkinson, Minn.	G.N.R.	248	20 p.c.	
Winnipeg to Indian Head	C.P.R.	315	10 p.c.	
St. Paul to Fosston, Minn.	G.N.R.	319	26 p.c.	
Winnipeg to Regina	C.P.R.	358	10 p.c.	
St. Paul to Herriott, N.D.	G.N.R.	327	32 p.c.	
Winnipeg to Moose Jaw	C.P.R.	400	11 p.c.	
St. Paul to Neche, N.D.	G.N.R.	401	35 p.c.	
Winnipeg to Swift Current	C.P.R.	510	7 p.c.	
St. Paul to Minot, N.D.	G.N.R.	523	8 p.c.	
Winnipeg to Medicine Hat	C.P.R.	660	7 p.c.	
St. Paul to Buford, N.D.	G.N.R.	646	12 p.c.	

The above comparisons, it will be observed, are made at nine distances between Portage la Prairie and Medicine Hat, and at nine corresponding distances—as near as the distance tables allow—on the main line of the Great Northern.

Let us do likewise with nine branch line mileages on the C.P.R. and on the Great Northern respectively:

From—	Railway	Miles	Reduction Since Jan. 1, 1900	Increase Since Jan. 1, 1900
Winnipeg to Gretna	C.P.R.	70		77 p.c.
St. Paul to St. Augusta, Minn.	G.N.R.	69	36 p.c.	
Winnipeg to Emerson	C.P.R.	65		65 p.c.
St. Paul to Long's Siding, Minn. G.N.R.	G.N.R.	64	33 p.c.	
Winnipeg to Glenboro	C.P.R.	105		22 p.c.
St. Paul to Paynesville, Minn.	G.N.R.	107	38 p.c.	
Winnipeg to Souris	C.P.R.	150		32 p.c.
St. Paul to Clarissa, Minn.	G.N.R.	150	26 p.c.	
Winnipeg to Cartwright	C.P.R.	148		44 p.c.
St. Paul to Holloway, Minn.	G.N.R.	148	25 p.c.	
Winnipeg to Lauder	C.P.R.	178		27 p.c.
St. Paul to Leaf River, Minn.	G.N.R.	179	25 p.c.	
Winnipeg to Deloraine	C.P.R.	203		25 p.c.
St. Paul to Erhart, Minn.	G.N.R.	205	28 p.c.	
Winnipeg to Carnduff	C.P.R.	231	5 p.c.	
St. Paul to Crawford, Minn.	G.N.R.	232	30 p.c.	
Winnipeg to Milestone	C.P.R.	381	8 p.c.	
St. Paul to Humboldt, Minn.	G.N.R.	384	38 p.c.	

The eighteen points in Western Canada mentioned in the above comparisons make a representative showing. The C.P.R. rates from Winnipeg to those points show nine increases since January, 1900, and nine decreases. In every one of the corresponding Great Northern rates there has been a decrease since January, 1900. The reader can make his own reflections on the percentages in each case.

It may, perhaps, be fitly said again here that the Free Press is not holding up the Great Northern or any other railway, north or south of the line, as being run on altruistic principles. The rates in the adjoining States are cited for the illumination they cast on the rates in this country—the rates in both countries, as it is hardly necessary to add, being paid not by the wholesalers, nor by the retailers, but by the ultimate consumers.

COAL OIL, GASOLINE, BISCUITS, COTTON-PIECE GOODS

As Illustrating the Contrasts Between "Commodity" Rates North and South of the Boundary, the Rates on the Above Articles Are Set Forth for a Number of Corresponding Mileages from Winnipeg and from St. Paul

The following are the rates on coal oil and gasoline, in less than carload lots, the first figure given in each comparison being the Great Northern charge, and the second the C.P.R. charge, the latter being followed by a statement of the percentage of its excess over the former:

From—	To—	Miles.	Rate per 100 lbs.	
St. Paul—Albany, Minn.		97	14c	
Winnipeg—Melbourne, Man.		99	28c	100 per cent. higher
St. Paul—Menahga, Minn.		197	24c	
Winnipeg—Elkhorn, Man.		198	39c	60 per cent. higher
St. Paul—Crookston, Minn.		300	29½c	
Winnipeg—Wolseley, Sask.		296	57c	90 per cent. higher
St. Paul—Neché, N.D.		401	40c	
Winnipeg—Moose Jaw, Sask.		400	67c	67 per cent. higher
St. Paul—Norwich, N.D.		499	59c	
Winnipeg—Waldeck, Sask.		499	77c	30 per cent. higher
St. Paul—Temple, N.D.		601	70c	
Winnipeg—Maple Creek, Sask.		595	86c	23 per cent. higher

It must not be forgotten that the C.P.R., on its mileage in the United States, charges the same rates as the Great Northern and the Northern Pacific. Any person in Western Canada desiring to ascertain how much more he is taxed on coal oil, or gasoline, in the way of railway rates, than he would if he lived south of the line at a distance from St. Paul corresponding to his distance from this city, has only to take the mileage from Winnipeg to his town, and figure the thing out for himself on the basis of the above figures. For instance, the mileage to Cypress River is the same as to Melbourne, to Birtle the same as to Elkhorn, to Grayson and to Estevan the same as to Wolseley, to Bulyea the same as to Moose Jaw. The rates are proportionate to the mileage.

As another typical comparison, let us consider the rate on biscuits and cotton piece goods. To the careless observer there may not be any striking congruity of noticeable relationship between biscuits and cotton piece goods; but these two commodities are yoked together by freight rate makers—we live in an oddly assorted world in regard to more things than freight classifications. The rates on biscuits and cotton goods, in less than carload lots—and it is less than carload lots that biscuits and

cotton piece goods are, for the most part, shipped out from St. Paul and from Winnipeg—are as follows:

From—	To—	Miles	Rate per 100 lbs.	
St. Paul—Albany, Minn.		97	19c	
Winnipeg—Cypress River, Man....		96	34c	80 per cent. higher
St. Paul—Elizabeth, Minn.		197	32c	
Winnipeg—Birtle, Man.		194	48c	50 per cent. higher
St. Paul—Crookston, Minn.		300	39c	
Winnipeg—Wolseley, Sask.		296	70c	80 per cent. higher
St. Paul—Neché, N.D.		401	48c	
Winnipeg—Moose Jaw, Sask.....		400	83c	70 per cent. higher
St. Paul—Norwich, N.D.		499	76c	
Winnipeg—Waldeck, Sask.		499	96c	26 per cent. higher
St. Paul—Temple, N.D.		601	90c	
Winnipeg—Maple Creek, Sask.....		595	\$1.07	10 per cent. higher

These figures, as in the case of the coal oil and gasoline figures above, are selected so as to show six representative comparisons in six hundred miles from St. Paul and from Winnipeg, respectively. If you are interested in any special mileage not given in these comparisons, you can figure out for yourself the comparison between the rates north of the line and the rates south of the line for that mileage.

THE EXPRESS RATES

The Express Companies, as Tentacles of the Railway Companies, Have Been Working on the Principle, to Quote Judge Mabée, "What Are the Heaviest Tariffs We Can Obtain from the Public for the Least Service We Can Give Them?"—The Immense Profits from Express Rates—Suggested Basis for New Rates, Which Would Be Grossly Unjust to the West

The express companies are simply tentacles of the railway companies for the purpose of putting into operation, in special ways, the principle of "all that the traffic will bear." A few sentences may here be quoted with advantage from the deliverance of Judge Mabée, the Chairman of the Railway Commission, on December 24 last, in regard to the express companies:

"The original principle upon which the express companies' tariffs are based was: 'What are the heaviest tariffs we can obtain from the public for the least service we can give them?' The whole business of express will go on just as, it does now without the existence of any express companies at all, by simply substituting railway employees for express

employees and letting the railways take the whole toll in the first instance."

The Immense Profits from Express Rates

The figures set forth by Judge Mabee show that the Dominion Express Company, which is a side line of the C.P.R., has had a total of only \$24,500 paid up on its \$2,000,000 capital, and has paid the C.P.R. in the eight years covered by the inquiry made by the Commission, no less than \$13,409,240. The Canadian Express Company, with a total of \$27,520 paid on its \$500,000 capitalization, has paid the Grand Trunk an average of \$923,909 per annum. The Canadian Northern Express Company, owned by Messrs. Mackenzie and Mann and their associates, with the magnificent sum of \$5,000 paid in real money on its capitalization of \$1,000,000 (of which \$300,000 has been issued by the aforesaid philanthropists to themselves in the form of paid-up stock) has paid the Canadian Northern \$353,126 in the six years of its existence.

"Cut short of all trimmings," said Judge Mabee in the before-referred-to vigorously-worded decision, "the situation is that the shipper by "express makes a contract with the railway company through the agency "of the express company." Continuing, he said of the immense payments made to the railway companies by the express companies for services rendered: "Of course, no such thing as this could have happened between "corporations dealing at arm's length." A highly important passage in the judgment is that which deals specifically with the railway's responsibility in regard to express charges. "The railway companies," says the judgment, "have, in fact, very small, almost negligible portions "of their capital invested in these express agencies, and these latter, "being common carriers, performing quasi-public functions, are account- "able not only as separate corporations or entities, but likewise the rail- "ways, as their real principals, to the public and to the country at large."

The plain fact of the matter is, as the judgment makes clear, that the express charges are railway charges.

The judgment of the Railway Commission on December 24 last, gave the express companies three months' time to frame new tariffs for submission to the Commission, and laid down, as a basis for such new tariffs, the principle that heavier express charges were proper in Western Canada than in Eastern Canada. Judge Mabee has since explained that this basis was intended more as a suggestion than an actual order. At any rate, it is to be noted that new tariffs have not yet been framed. The old rates are still in operation. What has been framed, however, as a result of the above referred-to judgment, is a new express classification, the result of which is, in many cases, increased express charges.

The New Express Classification

The express companies lost no time in framing that new classification. The express rates in operation, as this pamphlet goes to press, are the rates on which the Commission passed judgment last December; and there is also in operation, as already explained, a new classification which results in higher express charges on many articles than the charges previous to the coming into operation of this new classification.

It is surprising that not one of the thirty odd representatives of Western Canada has risen in his place in Parliament to challenge the suggested basis of express rates set forth in the decision of the Railway Commission last December—namely, that the express rates in Western Canada as far as the Rocky Mountains should be two-thirds greater than in Eastern Canada, and the express rates in British Columbia twice as great.

The Suggested Basis for Western Charges

It would be interesting to know by what means the Railway Commission arrived at the conclusion that such a relation between the express rates in the East and the express rates in the West could be regarded as justifiable. Did the Commission have an expert examination made into the cost of doing business in the West as compared with the East?

There are no apparent circumstances which suggest that there is any such differences as this in the conditions affecting the express business or any other business in the West and in the East. Take the ready test of salaries. Do the express companies pay their Western employees sixty-six per cent. more than they do their employees in the East? Does this difference in wages apply on the C.P.R. and C.N.R. systems, which are, of course, the real owners of the express companies? Further, does the Dominion Government, which is in a sense responsible for the findings of the Railway Commission, make an additional allowance of two-thirds the original salary to compensate for the higher cost of living in the West?

Not only have our members of Parliament been silent; the Western Provincial Governments and Legislatures, which might well have made this decision the subject of serious consideration, have done nothing. If the precedent is established that public service corporations can charge two-thirds more in the West than in the East for the same service, the people of the West will be permanently bound and shackled.

PUBLICITY THE REMEDY

Only One Inference to be Drawn from the Fact that the Railway Companies Oppose the Letting in of Daylight—The Public Entitled to Know All About the Workings of These Public Utilities, Created by the Public—Railway Rates Only One Phase of the Large Question of Public Taxation

The surest—in fact, the only—way towards the securing of just treatment of the public by the railways is the way of publicity. The public are entitled to know all about the workings of these public utilities, created by the public. The fact that the railways fight against publicity is a fact from which only one inference can be drawn.

Reference has already been made to the application by the Vancouver Board of Trade last year to the Railway Commission for action by the Commission to compel the lowering of through freight rates on the C.P.R. That application is still before the Commission. There were hearings in regard to it in January last, and there are to be further hearings in Vancouver. Among the orders asked for in the application referred to, are orders to compel the C.P.R., in making the sworn annual statements to the Dominion Government required by law, to furnish those statistics not, as at present, in the lump for the whole C.P.R. system, but divided up so as to show the expenditures and revenues and traffic handled, and so forth and so on, for each division of the C.P.R. separately. The C.P.R. is opposing that demand. Why?

That the cost of railway construction, maintenance and operation in Western Canada is less than in Eastern Canada or through the Rockies is as evident as the fact that in land grants and tax exemptions Western Canada has borne, and is bearing, the heavy end of the cost of construction of the railways for the opening up of this country, and on which the national prosperity of the last fifteen years is founded. In addition, the West is bearing its full share of carrying the national indebtedness created by the granting of millions of money borrowed by Canada and given in addition to the land grants and tax exemptions. Is it just that, in addition, the West should be burdened with far heavier freight rates than the East?

Customs Taxation and Railway Rates

The effect and incidence of customs tariffs are calculated to a nicety by the experts who make freight rates; and in framing their schedules they skilfully apply this knowledge. No freight rate on a manufactured article from the East to the West has ever been framed without the duty on this article becoming a factor in the calculation. If the duty is high the railway companies put the freight rates up to a higher notch.

Railway officials are not much given to explaining the intricacies of rate making. They prefer, usually, to assume an inscrutable air, and

intimate that these mysteries are far too deep for any human mind below the high intellectual standard of a railway traffic manager to grasp. There are times, however, when they allow an elusive glimpse of the rate-fixing machine in operation.

Some years ago, the then traffic manager of the C.P.R. met the Board of Trade at Edmonton to discuss the rates on hay into the boundary country. It was claimed that the rates were so high that the Northern Alberta farmers were in danger of losing the market to their United States competitors. Whereupon the railway official made an off-hand calculation by which he demonstrated that with the duty on hay at such a figure it was possible for the hay growers of the Edmonton district to pay the freight rates fixed by the railway and still sell a shade cheaper than the cost price of the United States hay laid down in Canada.

Milking Customs Duties to Fatten Freight Rates

The whole science of milking customs duties for the fattening of freight rates was thus revealed. The hay producer got the minimum price for his hay; the consumer paid the maximum price made possible by the duty; and the whole intervening profit went to the railway in the form of excessive rates. This incident could doubtless be matched a thousand times if the records of rate-making for the West could be laid bare.

There we have the explanation of why certain of our railways are such ardent advocates of encouraging inter-provincial trade by a stiff duty against importations. Such an arrangement enables them to take toll of this commerce. If the tariff were lowered the inter-provincial trade might be as great, but there would not be so much money in it for the railways since to keep the traffic it would be necessary for them to lower their rates. Thus the matters of freight rates and tariff duties are not distinct and separate questions, they are simply differing phases of the one large question of public taxation.

Competition That Does Not Compete

The Free Press has been asked why it is that the rates from Fort William and from Eastern Canada to places on the C.P.R. line from Winnipeg to Souris are higher than the rates to points at corresponding mileages on the C.P.R. line from Winnipeg to Deloraine. While the Free Press is ready to make the best attempt possible, within its ability, towards giving an answer to this question, it must be said that the question is one upon which it is for the railway traffic officials to throw light. It is a question which draws attention to one of the numerous mysteries in the art and practice of rate-making.

In the first place, the line from Winnipeg to Souris may be described as running through territory which is more or less a C.P.R. preserve, and which is, in respect of the burden of freight rates, unfortunate in being

situated too far from the boundary. The mileages from Fort William to Holland and to Morden are practically identical; but while the 5th Class rate to Morden, which is on the line between Winnipeg and Deloraine, is 42c per 100 lbs., the 5th Class rate to Holland, which is on the line between Winnipeg and Souris, is 52c—a difference of 10c per 100 lbs. or \$30.00 per carload. In like manner, Cypress River pays 6c per 100 lbs. more on 5th Class freight from Fort William or from Eastern Canada than the more favored or more advantageously situated stations on the line from Winnipeg to Deloraine, whose mileage from Lake Superior is in the same neighborhood; which means a difference of \$18.00 on a carload. Souris, which is the same mileage from Fort William as Cartwright, contributes 3c per 100 lbs. more on 5th Class rate from Fort William or from Eastern Canada than Cartwright does. There is nothing so bad that it might not be worse, and Souris can congratulate itself that the C.P.R. does not make a forced levy upon it as heavy as it makes upon Holland.

It is often asked whether there is any real competition between the different railway systems in this country. It is possible that, if a search warrant were issued, evidences of competition might be found; at the same time, nothing is easier than to find instances which go to prove that competition does not compete. For example, Neepawa is served by both the C.P.R. and the C.N.R. Before the Canadian Northern reached Neepawa, the C.P.R. rates to that point from Fort William and from Eastern Canada were the same as the rates to Carberry, the mileages being practically the same. Those two mileages, needless to say, are to-day what they were ten or fifteen or twenty years ago. Yet the rate charged by both the C.P.R. and the Canadian Northern on 5th Class freight to Neepawa is 2c per 100 lbs. greater than the rate to Carberry. This is a case in which, plainly, competition does not compete. And there are others—many others.

"The Rate Maker and the Nightingale"

As has been remarked before, the more freight rates in this country are studied the more evident becomes the lack of any fixed principle underlying them, other than the idea of "all that the traffic will bear." This, it appears, is also to be said of the freight rates in other areas on this continent than Western Canada. Some interesting remarks in this connection may fitly be quoted here from an address made by Mr. Fairfax Harrison, president of the Chicago, Indianapolis and Louisville Railway, before the recent convention of railway traffic officials in Indianapolis. In the course of that address, Mr. Harrison said, as reported in the Railway Equipment Register, of New York:

"One can fairly ask whether rate-making as practised today is as efficient or as systematic as it might be. It has been well said, in explanation of the apparent lack of system, that railway rate-making is not a science but, like any other price-making, is an art. But this statement will not justify beyond criticism our present methods of making rates. Artists are notoriously given to vagaries and, yielding to

no one in admiration to what is, perhaps, the best equipped set of men in the railway service—the traffic managers—it must be admitted that there has not been much technique in their practice of the art of rate-making in the past. They have seldom based their rates on principle. . . .

"Hereafter, under government regulation, the rate-maker must base his work upon principle, and, while probably he can never, under our American conditions, create a strict science of rate-making, he can promote the art into a profession. A profession is the practice of individual initiative under established rules. The lawyer shapes and weaves the settled rules of the law to meet new facts and conditions under the regulation of the courts. The surgeon adjusts his every operation to the sudden emergency, but always within the limitation of the binding etiquette of his profession. Both can always cite a principle for everything they do; and it is in this that a profession differs from an art. The great painter is little bound by rules and philosophy; the musician even less; their individual genius flowers differently in every generation. The nightingale cannot tell why he gushes melody.

"It is possible that the rate-maker in the past has modelled himself more on the nightingale than on the lawyer and the doctor, but the necessity of constantly justifying his rates upon the witness stand is forcing the traffic office to study, for example, the cost of service as an element of the basis for a rate."

High Time to Let Daylight In

The fact of the matter is that it is high time that a thorough investigation was begun of the huge and complicated problem of railway rates throughout Canada, with a view to determining the just and equitable basis for each class of rates, and the principles upon which traffic tariff should be framed in justice both to the public and to the railways. Such an investigation will be an immense undertaking, requiring men of special ability and experience, and it will be necessary that Parliament shall place at their disposal every possible means of securing the information necessary in their work of investigation and analysis and getting down to fundamentals and preparing for the use of the Railway Commission the basic facts and principles upon which traffic rate schedules should be framed. The time is past when high railway officials could pretend that the framing of rate schedules was a deep and intricate mystery, not to be understood or rashly meddled with by anybody save themselves. As the Railway Commission of the State of Wisconsin has declared in a notable judgment, the cost of transporting any commodity over any mileage, can be determined as accurately as the United States Steel Company determines the cost of a bar of iron, or a screw. The cost of the service is one of the factors which should rightly enter the determination of any rate; there are other factors, and until all the factors are rightly determined, railway rates cannot be arranged on the right basis.

