

traffic and returns its other rates were from time to time reduced. The economic situation had so much improved that after the Railway Commission's judgment in the Western rates case delivered in the spring of 1914, no Crow's Nest rates were effective. Actual rates were lower - either as a result of voluntary action by the railways or order of the Commission - with but one exception.

This exception was the rate on fruit from Eastern Canada in less than carload lots, and as no traffic moved under it, it may be fairly stated the agreement in view of changed conditions had become entirely obsolete and ineffective. - The excessive cost of transportation, as well as everything else made it again a matter of ^{moment} movement.

The Crerar party says - notwithstanding a totally changed situation - notwithstanding we now have railway rate regulation - notwithstanding that very regulation has given the Western provinces rates lower than the agreement gave us - notwithstanding the fact that no special consideration moved from the Prairie Provinces but rather from the Eastern rate-payer for the Crow's Nest Pass agreement - the agreement shall be abrogated when we can get better terms but shall stand when the general economic situation demands a higher rate. - We stand on privilege - special privilege - which the country generally obtained for us - not on merit, and Mackenzie King says "Right 'O"

The situation confronting the Government naturally resulted from a period of inflation and high cost. The grain growers were dissatisfied with the situation, and rightly so. Their selling prices had materially dropped and freight rates although reduced from the highest level were nevertheless high. *This condition was not confined to the grain growers but was general.* Without multiplying examples but taking only a few cases, ~~xxxxxxxx~~ Lumbering interests everywhere complained, and they were right. The stagnation of that business was clearly shown before the Committee - also that rail rates were so high that