

beyond Winnipeg within Prairie territory the maximum first-class rates were to be those of the Prairie standard tariff for the through mileage, made up of actual distance beyond Winnipeg added to the above mentioned assumed mileage of 290 miles east of Winnipeg.

The Judgment in the Western Rates Case sets out how this constructive mileage of 290 miles east of Winnipeg on the movement from the Lake Termini was arrived at. The essence of the arrangement is that the mileage from the Lake to Winnipeg being 424 miles, there is a concession of 134 miles on the movement concerned. This was built up on rate conditions which had developed in the West. There is not the same arrangement existing on a movement from the East to Fort William.

Here, again, the particular facts of the section in which the rate adjustment is made must be considered, and it does not follow that the arrangement herein referred to would be a criterion of discrimination in connection with a complaint as to a different rate adjustment east of the Lakes.

Having in mind the special conditions of the territory west of the Lakes, a special rate adjustment has been made on the very important commodity of Agricultural Implements. In the shipment of these from points in Eastern Canada, e.g., Hamilton to Montreal, inclusive, the rate to western points is on the Chicago basis, that is, the rate from Chicago to said points applies. In view of the system whereby the rates east of Montreal are built upon the differences over that point the effect of this rate reduction is carried further east in so far as originating points shipping to the Prairie Provinces are concerned. This, again, is based upon special traffic conditions, and would not necessarily afford a criterion of unjust discrimination in respect of a different treatment in the East in regard to similar mileages concerned.

In the presentation of Counsel for the Provinces of Manitoba and Saskatchewan, reference was made to the difference in classification basis. In the East, the 5th class rate is one-half of 1st. In the West, the 4th class rate is one-half of 1st. Reference was made to this as showing, inter alia, a considerable difference as affecting the important 5th class; and since the distributing rates are built up by taking a percentage off, it was contended that this difference was carried down into the distributing rates.

In general, the apparent conclusion Counsel had in mind was that the Board should construct a basis of its own.

As special reference was made to the 5th class, some comments in this connection are necessary. In Eastern Canada, the 5th class is 50% below the 1st; in Western Canada it is 55%.