

the United States which are equally subject to the effect of this water-borne traffic; and it does not appear that any vital change in this respect has taken place since the date of the decision in the Western Rate Case.

While as a consequence, naturally to be expected, from difference of conditions, many Prairie rates have spread over the Eastern rates, the course of the decisions of the Board, including the present decision, has been to narrow this spread wherever possible.

- 10 The matter has been put in a succinct way in the evidence before the Special Committee appointed to consider Railway Transportation costs. Counsel who appeared before the Board for the Provinces of Manitoba and Saskatchewan represented these Provinces, as well as Alberta, before the Committee. At p. 300 of his evidence, in dealing with the different scales, he said:

“First, there is the Eastern scale, which I will develop later, is held down by maximums created by water competition, potential and otherwise, and by American Rail Competition.”

- 20 Again, at p. 301, in summarizing the provisions of the Railway Act, in regard to discrimination, he used the following language:

“The railways, when we replied that we were discriminated against in respect of eastern rates answered and the Board has held it to be a good answer. True, there is a disparity, a discrimination, and I propose to give you the four or five decisions in all the rate cases to that effect, that there is discrimination, a disparity against us, but the railways have satisfied the onus of showing that it is not unjust or undue, because railway rates in the East are held down by water competition and American rail competition, something they cannot control, and therefore that excuses that discrimination.”

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The Board holds that the differences in rates as between the Prairie Provinces and Eastern Canada as referred to do not constitute an unjust discrimination or undue preference.

#### CONCLUSIONS

All steam railways in Canada under the jurisdiction of this Board shall file tariffs, effective the first day of August next, providing for the following reductions, viz:—

- 40 (a) On the articles, other than grain and flour, hereinbefore referred to as basic commodities, namely:— forest products, building material, brick, cement, lime and plaster, potatoes,