

Mr. KNOWLES: No; you are thinking of the freight classification, which takes 8,000 groups of articles and divides them into ten classes for the purposes of having a rate of some kind on everything.

You start from there with your class rates, working down to your commodity rates. A commodity rate is simply a rate that is lower than the class rate.

Mr. FISHER: Would it be possible, Mr. Chairman, for each member to be provided with those Canadian Railway Association class rates?

Mr. KNOWLES: The class rates, the freight classification?

Mr. FISHER: Yes.

Mr. KNOWLES: I do not know what supply of these they have left; but someone, either you or I or the government, would make application to the Canadian Freight Association and I am quite sure they would send you enough copies of the classification for the committees.

Mr. DRYSDALE: Mr. Chairman, could I get those definitions before we push on? I have been trying to get them two or three times.

Mr. KNOWLES: The Railway Act, section 331, says, "The tariff of tolls that the company is authorized to issue under this act for the carriage of goods between points on the railway are (a) class rate tariffs; (b) commodity rate tariffs; (c) competitive rate tariffs; and (d) special arrangements tariffs".

The railway is authorized to issue four different kinds of tariffs. The bill deals with tariffs under (a) class rate tariffs, and (b) commodity rate tariffs.

The class rate tariff simply specifies the rates on the ten classes in the freight classification. First of all, before you start to run a freight traffic department you have to have a freight classification, under which the railway finds out everything that is made or sold, imported or exported, in the dominion. They list them all down and, according to their traffic characteristics—whether they are valuable or not valuable; whether they are fragile; whether they are heavy or whether they are light—goes into these classes.

You might find groceries in the first class, and you will find lumber and cement in the tenth class. In order to use that classification you have to have a tariff—another tariff—called a class rate tariff, which specifies the origin and destination point and shows by an index number, the class one or the 100 per cent, and then the other nine classes are percentages of the class one rate. That gives you a freight tariff that will apply on everything between every point in Canada. The tariff would be too big to have it apply between all stations, so there are several issued. There are maritime provinces tariffs, central region tariffs and western region tariffs. Originally all traffic was carried at the class rates back in 1881, but with the growth of bulk traffic the railways found the classification too high and they pulled some of them out of the classification and called them commodities, and applied commodity rates to them.

A commodity rate is simply a rate that is lower than the class rate. You will find a class rate between every point in Canada. That is there as a standard. If there is no other rate, such a competitive, commodity, agreed charge, or anything else, that is the rate you apply. It is always there, and when you publish a rate, say, on lumber or cement, on a commodity basis, it is lower than the class rate. The class rate still stays in the class rate tariff; it is not cancelled out. It is there in case you cancel the commodity rates. That is a brief description of the class and commodity rates.

Then you have competitive tariffs. The railway has put in the normal rate by the class or commodity and then discovers the truckers, or the water lines, or somebody else, is carrying traffic at a lower rate. It then has the privilege of publishing a competitive rate, which is lower than the normal rate which has been authorized by the board over a great many years. The railways