

rail rates were the sum of the Toronto-Fort William lake and rail rates and the current tariff from Fort William west, applied from both Toronto and Montreal points; in other words, the through rates were the combination of the locals on the Toronto basis. (The Fort William locals from Montreal were and are higher than Toronto, by 10c in the 1st class and 5c in the 5th.)

The new through lake and rail rates permitted to become effective by the Board's General Order 197 are not up to the full Toronto basis combination, so that, relatively speaking, they are lower than hitherto. The new Toronto-Fort William locals are

1	2	3	4	5
60	53	45	38	30c

while the through rates are based on—

1	2	3	4	5
56	47	41	34	27c

The through all rail rates, on the other hand, bear no relation to the all rail locals to Fort William; they are related to the lake and rail rates, the relationship being expressed by the spread above referred to. The all rail rates to Port Arthur and Fort William, for local deliveries, in force since 1908, and the proportionals to the same points on which the through rates are based, are shown below as "present," and those under review as "new"—

	1	2	3	4	5	6	7	8	10	classes
Present locals	105	85	70	50	42	36	36	35	35	cents
" proposals	75	64	52	41	31	30	25	25	25	"
New locals	111	89	73	53	44	37	37	36	36	"
" proposals	81	67	55	44	33	31	26	26	26	"

In order to determine whether the new local rates to Fort William are reasonable, compared with the rates allowed by the board in the Eastern Rates Case, predicated though they were on the lower so-called "town" or Schedule A scale, the longest single line haul available for the purpose is that from Windsor, Ont., to Megantic, Que., 726 miles. The most important, and the base, class is the 5th. The 5th class rate Windsor to Megantic is 38c. Tapering this rate in accordance with the approved Eastern Standard Mileage Tariff (the only one in true proportion) for the distance, Toronto to Fort William, viz., 814 miles, the result is 44c, which is the exact 5th class rate proposed from Toronto to Fort William. For the extreme distance from Montreal to Fort William, viz., 998 miles, the result would, of course, be greater, it would be 57c. Tapering the Fort William 5th class rate to the Toronto-Winnipeg distance of 1,233 miles, the result is 76c, while the proposed rate is 71c. In this instance, the result from Montreal would be the same, viz., 76c.

So far as the proportions west of Fort William are concerned, the rates west of Winnipeg to the Pacific Coast are in accordance with the scale prescribed by the board in the Western Rates Case. The board has more than once stated that comparisons with rates in United States territory are not conclusive of the reasonableness or otherwise of Canadian rates, unless the conditions are on all fours. Subject to this caution, reference to rates in similar U. S. territory, while not conclusive, may be informative. The 1st class lake and rail basing rate from Toronto to Fort William is 56c. This is the same as the all water rate from Buffalo to Duluth. The all rail rate from Buffalo to Duluth is not strictly comparable with the all rail rate from Toronto to Fort William, as in the former case the rate is made on Chicago, involving at least a two-line movement. Subject to this caution, it may be pointed out that the all rail rate from Buffalo to Duluth is \$1.12; the all rail local rate from Toronto to Fort William is \$1.11. The rate from

Buffalo to Chicago, through dense traffic territory, is 62c first class for 536 miles. If this rate is tapered on the eastern standard tariff for 814 miles, in the same way as above set out, the result would show a rate of \$1.04, as compared with 81c in the new tariff.

In dealing with the eastern rates situation as affected by water competition, it was said in the Western Rates Case, 17 Can. Ry. Cas., 159-160: "It should, however, be borne in mind that while water competition is urged as being a reason for a low rate standard in the east, the water rate with resultant low freight has probably played a greater part than any other factor in the prosperity of the West. The additions to water facilities which from time to time have been made are largely demanded by the necessities of providing the cheapest and quickest outlet for the ever-increasing productions of Western Canada. This affords but an additional instance of the fact that the interests of Eastern and Western Canada are closely interwoven, and that an enforced lower rate structure in the East is not as much productive of injury to the West as has been claimed."

In the Eastern Rates Case, the following language was used: "In general, a case for increase has been made out. Apart from the merits of the application, having regard to the situation in Eastern Canada alone, the general railway situation in Canada demands that eastern rates should be increased when the different industries can fairly and reasonably bear such increases. While, as has been set out at greater length in the Western Rates Case, differences of conditions do exist between Eastern and Western Canada, and while western freight rates have already been materially reduced, the general schedule there obtaining is still higher, notwithstanding the fact that certain western rates that may be instanced are lower. There is no doubt but what the act requires, and the general public interest of the country as a whole demands, that, if practicable, eastern rates should be advanced so that the different schedules may more nearly approach a parity. I am aware that an absolute parity is impracticable, but, as conditions become similar, a reasonable parity ought to be obtained."

While the class rates concerned are rates for a movement within the territory east of Fort William, they affect the west, because they are furtherance rates. The rates as charged are concerned with a movement through an area in which water competition exists, although because of altered conditions water competition is not so effective at present as it once was, and the difference in level of the rates as now before us is a measure of the difference in the efficiency of competition. As already pointed out, the board has laid down the position that a rate reduced to meet water competition may be brought up more closely to the normal level when the water competition becomes less effective. As tested by a tapering on the basis which the board has affirmatively approved as reasonable, the proposed rates meet the conditions of this basis. The rates may be permitted to continue.

Railway Smoke.—The Windsor, Ont., City Council instructed the city solicitor recently to take proceedings against the Grand Trunk Ry. in order to have the smoke nuisance from its locomotive house abated. It is claimed that the smoke has caused a depreciation of \$200,000 in the value of adjoining house property.

Transportation and Storage of Grain.

A Dominion order in council passed in June and only promulgated recently, providing means whereby grain grown in Canada in excess of domestic requirements may be made available for purchase by the British and allied governments, and so that domestic requirements may be controlled in such a manner as to prevent any undue inflation or depreciation of values by hoarding supplies, or by other means. For this purpose the Board of Grain Supervisors of Canada, is established, consisting of not more than 12 members, who shall be paid travelling expenses while engaged on the board's duties, but shall receive no other remuneration.

The board shall make investigations from time to time to ascertain what supplies are, or will be, available, the location and ownership of such grain, the transportation and elevator facilities in connection therewith, as well as the conditions of marketing and the market price, and for such purposes shall have the powers of a commissioner under the Inquiries Act.

The board shall have power to fix the price at which grain stored in any elevator may be purchased, and the conditions and destination under which the grain may be moved, and also what grain may be sold to milling firms, what grain shall be sent to the United Kingdom and allied powers, and shall facilitate at all times the transportation and delivery of grain in excess of domestic requirements. Any prices fixed by the board are to be subject to the chairman's approval. The board may appoint an executive committee of not less than three, of whom the chairman shall be one, and may assign to the executive committee its duties and powers.

The board shall have power to receive offers for the purchase of grain from millers, and from the Wheat Export Co., Ltd., or from any other person or company referred to as "overseas purchasers," acting for the United Kingdom or the allied powers, and it shall fix the prices at which the grain shall be sold. It shall also have power to take possession of, and sell to millers or overseas purchasers, grain stored in any elevator, and to pay to the owners the proceeds of such sale after deducting the expenses of taking possession and of delivery, and as far as possible shall fix a uniform price throughout Canada for grain of the same quality, and grade.

Notwithstanding anything in the Grain Act, or the Railway Act, the Board of Railway Commissioners shall have power to order any railway to provide cars and other transportation facilities for grain handled by the Board of Grain Supervisors. The word elevator in the order, covers any terminal, country, private, public and hospital elevator, and any elevator licensed by the Board of Grain Commissioners.

Power is also given to appoint representatives, clerical staffs, etc., and to create a fund for defraying the cost of carrying wheat in store, where no other provision is made to meet the cost, or for any other purposes, and in order to raise the necessary money the board may require millers, exporters, etc., to pay such sums as it may prescribe, not exceeding 4c a bushel.

Railway time tables are being revised to eliminate unnecessary service.