Freight Classification applies, the 5th class rate as increased would be substituted.

The effect of the McAdoo order on the sugar movement from Montreal to Toronto would be as follows:—The present rate is 18½c per 100 lb., while the present 5th class rate is 26½c, and as increased under the McAdoo order would be 33c. As a result, the rate would be increased 14½c per 100 lb., or 78.3%. The increase would make the freight costs 0.33c a lb., as against 0.185c a lb., and on a 10 lb. purchase by the consumer 3.3c, as against 1.85c.

Ice.—No authority to increase ice rates in U.S. eastern territory prior to the McAdoo order appears. Under these circumstances, the increase of 15% allowed by the board should be cancelled, and the McAdoo advance of 25% should be calculated on the former rate.

Commodity rates not included in the foregoing should be increased 25%, as allowed by the McAdoo order.

Territory West of Fort William—Class rates.—No increase was made in class rates in western territory by the Interstate Commerce Commission. An increase of 15% was allowed by this board. As a result, the increase granted by this board should be cancelled and the 25% increase allowed by the McAdoo order calculated on the old rates. The position in so far as minimum rates are concerned is similar to the position already covered, having regard to the eastern rates. The result is that the same minimum of 24c 1st class, in view of the Canadian tariff construction, should be adopted in lieu of the 25c minimum provided by the McAdoo order. The minimum charge on less than carload shipments will also be increased so as to provide for a minimum charge of 50c, instead of 35c, as in eastern territory.

Coal.—The McAdoo order makes the same increases on coal as in eastern territory, and in view of the provision of the order that in any case where a flat 15c had not already been allowed the increased rate should be calculated upon that basis, makes the situation such that to arrive at a comparative increase the full McAdoo increases must be adopted as in eastern territory.

Coke.—The position as to coke is exactly the same as to coal, and the increases here, again, are the same as already shown for eastern territory.

Iron Ores.—This is not an important movement in western Canada. No increase was made in the U.S. rate prior to the McAdoo order, which allows a flat increase of 30c a net ton of 2,000 lb., except that no increase shall be made in rates on ex-lake ore that has paid one increased rate before reaching lake vessel. As a result, the existing tariffs to cover this movement should be cancelled and the 30c a net ton allowed by the McAdoo order added to the rates existing prior to the 15% case.

Other Ores.—Ores other than iron under the McAdoo order are covered by a general increase of 25%. The U.S. rate situation does not at all compare with the situation in western Canada. Ore rates to western Canadian smelters are compiled for the lower values on the rubble and dimension stone commodity mileage basis, on values exceeding $50, to $100 on the 10th class distributing rates, and on values exceeding $100, on the 10th class standard rates. In the U.S., however, the ore rates have no such relation. It is inadvisable to change the Canadian basis. Increases, however, can be obtained by advancing the Canadian rates in the same manner as the McAdoo award advances the commodity and class rates upon which the Canadian rates are based. The district particularly interested is the Kootenay. On low grade ores of the value of $5, the old rate was $1.35 a ton from Kimberley to Trail. An increase of 10% has since been made, so that the existing rate is $1.50 a ton. Under the basis recommended this rate will become $1.55 a ton. If the straight McAdoo increase had been applied, the rate would become $1.70 a ton. For the same movement on ores of $15 a ton the old rate was $1.65, increased to $1.80, and the proposed increased rate will be $1.85. Under the McAdoo award the increased rate would amount to $2.10.

The increases on the rubble and stone commodities are but 1c per 100 lb., and the increases in the ore rates are thus held down. Values from $25 to $50, inclusive, are based on the dimension stone commodity tariff. The increase here under the McAdoo order is 2c per 100 lb., and the result is that on the same movement of ore of the $25 value, the old rate of $1.90 a ton, which has been increased to $2.10 a ton, and would move at a rate of $2.30 a ton. Under the McAdoo order the rate would be $2.40.

For the $50 ore the old was $2.80, the rate as increased is $3.10, and the increase which should be allowed would bring the rate up to $3.20. In this case the McAdoo order would allow an increased rate of $3.50. On $100 ore the old rate was $4 a ton; as increased, $4.40 a ton, and would become $5. It is to be observed that the basis of the McAdoo increase would make the same $5 rate.

Over and above the ordinary ore rates there are other ore rates covering train load lots. These have been increased in Canadian territory. The increases granted ought to be disallowed and the new rates be based on the former rates, plus an advance by 25%, as per the McAdoo order.

Stone, artificial and natural, building and monumental, except carved, lettered, polished or traced.—The rates on these commodities were advanced by the board in the 15% case. No advance was made by the Interstate Commerce Commission. The advanced tariff approved by the board should be cancelled, and the 2c per 100 lb. called for by the McAdoo order added to the tariffs as they existed prior to the 15% case.

Stone, broken, crushed and ground, sand and gravel.—The rates on these commodities were advanced by the board in the 15% case. No advance was made by the Interstate Commerce Commission. The advanced tariff approved by the board should be cancelled, and the 1c per 100 lb. called for by the McAdoo order added to the tariffs as they existed prior to the 15% case.

Brick, except enameled or glazed.—The rates on this commodity were advanced by the board in the 15% case. No advance was made by the Interstate Commerce Commission. The advanced tariff approved by the board should be cancelled and the 2c per 100 lb. called for by the McAdoo order added to the tariffs as they existed prior to the 15% case.

Cement.—The position of relative increases is similar to that in eastern territory and the same action may be taken.

Lime.—An increase of 15% has already been made in Canada. No increases were allowed by the Interstate Commerce Commission. The advanced tariff approved by the board must be cancelled and the increase under the McAdoo order, which amounts to 1½c per 100 lb., applied in the former rate.

Lumber.—The most important movement in western territory is from British Columbia, which province, together with Washington and Oregon, are closely in relation one to the other in the production of lumber. The Canadian mills sell in U.S. territory in competition with the U.S. producer, and the U.S. producers sell in Canadian territory in competition with British Columbia mills. The original rates were the same. The rate from Vancouver to Winnipeg was 40c. The rate from Portland and from Seattle to St. Paul and Winnipeg was also 40c, the Winnipeg rate being competitive. Some years ago the U.S. lines, with the subsequent approval of the Interstate Commerce Commission, advanced their rate from 40c to 45c to St. Paul, although for competitive purposes, owing to the fact that Canadian lines could not increase their rates, the U.S. 40c rate to Winnipeg was maintained.

The matter of lumber rates was considered by the board in the 15% case. The situation was found to be such that no flat 15% increase could be allowed. The consideration of chief importance in lumber rates was found to be the relation one to the other, having regard to the different points of production in Canadian territory. Certain advances were allowed, and among them the rate Vancouver to Winnipeg was advanced to 45c. The main rate was, therefore, restored to a parity with the U.S. rate as formerly. Under the McAdoo order the U.S. lines have increased their rate to St. Paul and Minneapolis from 45c to 50c. Other rates in U.S. territory have been advanced to the full 25% allowed by the McAdoo order, subject to the maximum of 5c. The increase given by the board in the 15% case practically restored parity between Canadian and U.S. rates. If the increase allowed by the McAdoo order of 25%, subject to a maximum of 5c per 100 lb., is allowed in the existing tariffs, that parity would be maintained. The increases will, of course, extend not only to movements in local territory, but also to eastern Canada and to the eastern States.

Other sources of local supply are the northern spruce belt and the Lake of the Woods, Rainy River and Thunder Bay districts. Under the McAdoo order these rates will take the same advance.

Grain and Grain Products to Fort William and Port Arthur.—These rates in Canadian western territory are lower than the rates in contiguous U.S. territory. The U.S. hauls are to the terminals at St. Paul, Minneapolis and Lake Superior ports. All these terminals take the same rate. The haul within Canadian territory is to Port Arthur and Fort William. For example, the rate from Garrison, Mont., to Minneapolis, 1,172 miles, was 33c. The haul from Lethbridge to Fort William, 1,177 miles, had a 23c rate. Under the McAdoo order the rate from Garrison moved up a further 6c, making that rate 39c, while under the board's order the grain rate from Lethbridge was increased 2c, making that rate 25c, so that the difference became much accentuated. The parity of increase in haul, although, of course, not in rate, which is not for a moment recommended, can be easily obtained by adding the increase under the McAdoo order to the old rates for mileages substantially similar to those in the U.S. The following table is submitted as showing the results of the application of the McAdoo scale on this basis to points representing different mileages:—