

C 57427

47

It may be remarked in passing that in Eastern Canada the 4th class is 37½% below the 1st class rate, while in Western Canada it is 50% below the 1st class rate. Putting it in another way, if the 5th class rate is taken and scaling is made up to the 1st then in Eastern Canada the 4th class rate is 25% above the 5th class rate, while in Western Canada it is 10% above the 5th class rate.

It was suggested by Counsel that the Board should construct a standard of its own, taking the foundation of the western
10 American Classification.

If the Western scale were constructed with the relationship between the classes in conformity with the Eastern scale, starting with the 1st class rating in the Western scale and scaling down the other classes under the Eastern plan, this would result in a large increase in the rates for all classes below 1st.

If one-half of the 1st class in the West were taken and put in the position of one-half of the 1st class in the East, this would mean taking the present Western 4th class, which is one-half of 1st, and putting it in the position of the Eastern 5th class, which
20 is one-half of 1st, and then scaling the other classes on the Eastern plan, the result of this would be to produce the same result as the other method just mentioned.

The question of the standardization of the Western rate scales is dealt with in the Judgment of the Western Rates Case, in section 19, under the heading of "Standardization." Reference may be made to this as bearing on the history of the development. The citation set out in the Judgment, in the report of the Board's Chief Traffic Officer, the late Mr. Hardwell, emphasizes the advances which would take place if the Western
30 rate scale were standardized on the Eastern Canada basis.

Bound up to the difference in classification basis is the difference in one of the fundamental rules of the Classification, namely, that concerned with the Mixing privilege. As a result of a compromise arising out of the strong position taken by the Western Jobbers, the more liberal mixing rule of the East is not applicable west of Fort William. West of Fort William, the mixing rule is limited by the Trade list principle, and, in general, favor is shown, judging from Resolutions filed with this Board by representative trade bodies in the Prairie provinces, to limiting
40 the mixing rule, to articles normally moving in carload quantities. This, again, emphasizes a difference in traffic conditions as between the East and the West.

W.L. Mackenzie King Papers
Memoranda & Notes

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA