

the Board of Audit.

Following the settlement of the natural resources question with the western provinces it was announced by the Prime Minister during the last session of Parliament that any further claims made on behalf of the Maritime provinces would be considered on their merits.

Transportation and Freight Rates.

It was recommended by the Duncan Commission "that an immediate reduction of 20 per cent be made on all rates charged on traffic which both originates and terminates at stations in the Atlantic division of the Canadian National Railways - including export and import traffic, by sea, from and to that division - and that the same reduction be also applied to the Atlantic division proportion of the through rates on all traffic which originates at stations in the Atlantic division - excluding import traffic by sea - and is destined to points outside the Atlantic division."

Subject to certain modifications which were necessary in relation to international rates and through import rates by sea, a Bill was introduced in the session of 1926-27 giving effect to this recommendation. Up to the end of the calendar year 1929 the saving in freight rates to Maritime shippers by the Canadian National Railways by this provision amounted to \$5,535,155.76, which amount was paid to the Railways out of the Dominion Treasury and deducted from the freight bills of the people of the Maritime Provinces.

The Promise Exceeded.

But the Mackenzie King Government went beyond the recommendation of the Duncan Commission with respect to the reduction of freight rates. That recommendation provided for a reduction in rates on the Canadian National Railways and only to other railways to the extent that they were prejudiced by the reduction in the Canadian National rates.

In the legislation carried through Parliament by the