

transhipment from these ports in bond to either Canadian or American seaboard, and to competition to some extent with ocean tonnage out of Pacific ports and Churchill and via small direct tramp ocean vessels.

Such licensing and regulation of tolls as proposed would seriously interfere with the free movement of Canadian grain, with the adequate adjustment of rates to meet continually changing conditions, would tend towards monopoly and to an increase in the cost of lake transportation of Canadian grain to the detriment of the producers of Western Canada, and be the means of diverting considerable traffic to other channels to the detriment of Canadian lake carriers.

This summarizes very well the arguments of the Western farmers in opposition to the Bill.

It has been said that the Bill was ill conceived and badly prepared. There is good reason for making that statement. We have it from the lips of the Minister of Transport himself. In a speech on "Transportation Problems" which he made before the Canadian Club of Ottawa on February 20, copies of which speech were distributed to members of the Railway Committee, he said:

I am quite ready to admit that the subject I suggested for to-day's discussion is a very large one. My discussion of it will be tempered by the fact that I have been in contact with it for only a short time and really know very little about it.

He gave us proof of that when he came before the committee. Time after time he was willing to eliminate this or that provision from his own Bill.

We have been asked to vote for this Bill by two honourable senators who say the control of rates would be good for the whole of Canada. But when Mr. Guthrie, Chairman of the Railway Board, was asked for his opinion, this is what he said:

But my view is that if you are going to control rates you must make the control applicable throughout; otherwise it will be piecemeal, and discrimination is bound to crop up.

That is to be found at page 374 of the committee's proceedings.

Now, honourable senators, are we in favour of legislation that would discriminate between different parts of the country, and to the advantage of some forms of transportation as against others? Are we going to pass a measure that would discriminate especially against the West? I do not think the Senate will do that. So far as I am concerned, for the reasons I have given I shall vote against the Bill.

Hon. J. H. RAINVILLE: Honourable senators, this Bill embodies two principles, one good, the other objectionable. The first principle deals with the inspection of public conveyances, boats, aeroplanes and motor vehicles to ensure safety, hygienic conditions, and the

Hon. Mr. MARCOTTE.

protection of perishable freight. This inspection, however, is already provided for under existing legislation, both federal and provincial.

The objectionable principle is that which, if applied, would empower the Minister, through a board, to assign routes or territories to public licensed conveyances. It is evident that the Bill is intended to protect certain interests, either the Great Lakes shipping companies or the railways, for the application of this principle is tantamount to giving a free right of way to individuals or companies in order that they may establish transportation lines without competition.

Right Hon. Mr. GRAHAM: May I ask my honourable friend, is not that the principle adopted in Ontario in relation to necessity and convenience? The provincial authority hears applicants and, if satisfied, grants licences to operate along certain highways. That, I think, is on the principle of necessity and convenience.

Hon. Mr. RAINVILLE: It does not affect my argument at all. To-day the railways enjoy such a privilege, but they exercise it on their own right of way. By this Bill the use of rivers and canals belonging to the State would be granted free to certain companies or individuals, and their earnings would be assured by the Transport Board fixing freight rates. In fixing the rates, no doubt, consideration would be given not only to cost of transportation, but also to a fair profit on the capital invested. This would have the effect of creating a privileged class in the transportation business. In my opinion it would be equivalent to what obtains already under provincial jurisdiction with regard to our electric power trusts, which secure rights to develop waters powers belonging to the public domain.

It is, I believe, a principle generally admitted that the most effective way to reduce prices is by competition. This Bill would destroy competition. I am afraid, therefore, that if it were enacted we should, within a few years, have transportation organized under a powerful trust or combine, which no Government would be able or willing to control, any more than our provincial governments have been able to control the inflation policies of our power, our pulp and paper and our textile companies. In my view it is a vicious principle and, if adopted, would lead eventually to the nationalization of our entire transport services. Recalling the Canadian National Railway deficits, I for one should not like to see any further incursion into the realm of public ownership.