

*Equalization of Freight Rates*

years this chamber has heard many expressions of opinion with regard to how the problem could be solved, and I would like to think that the problem which is involved here could be as easily settled as the motion suggests. I agree it is a very difficult problem. It is an over-all problem in the larger areas, and a regional problem in the lesser areas.

Mr. Speaker, it is essential that some more satisfactory basis be provided to solve our problems. Just to say that the government should give immediate attention to the feasibility of establishing equalization of freight rates is an over-simplification. This has been said many times before. We agree with it in principle; in that it is necessary, but it is not just as simple as that.

Briefly going back over the history of this matter we find that section 336 of the Railway Act was enacted in 1951 as a direct result of the Turgeon royal commission on transportation, which then recommended the equalization of freight rates. That section declared it to be the national freight rates policy that, subject to certain important inspections, so far as it is reasonably possible every railway shall charge tolls to all persons at the same rate whether by weight, mileage, distance or otherwise. Under the direction of that legislation, the board of transport commissioners in 1952 undertook a study of the entire Canadian freight rates structure, by increasing here and by decreasing there the regional inequalities concerning which complaints had been received from each of the provinces for many years. Then by 1954 the board had completed its study of the class rates. Those rates, while they do not carry a large proportion of the traffic, are nevertheless important because they are the basic rates which are used in the negotiation and publication of various special rates.

Then, on March 1, 1955, the uniform class rates scale came into effect, and the situation since that date is that the class rate charge for 100 miles of haul in western Canada does not exceed the class rate charge for 100 miles of haul elsewhere in the country.

Following that, the board of transport commissioners proceeded to review commodity rates, both mileage rates and special commodity rates. These rates carry a great volume of traffic, and it was important to bring about an equalization in that area because there were serious differences in the scales in force in western Canada and those in eastern Canada.

The board continued that work for several years but it was suspended in 1958 when the government declared in parliament that there was to be no freight rate increase during the

currency of the MacPherson royal commission on transportation, set up in May 1959. The reason for the board's suspending its equalization studies was obvious. Equalization necessarily means a reduction in some places and an increase in others, and there could be no equalization so long as the government's policy was as it was.

Today the responsibility for further action in this regard rests on the one hand with the government and on the other with the board of transport commissioners. I agree with the hon. member for Port Arthur (Mr. Fisher) that there must be more flexibility in this adjustment of freight rates, but there are many difficult aspects involved to which satisfactory answers have not been supplied to date.

I believe that while this motion is basically sound in its principle it will not result in the government's saying tomorrow, "We are going to have equalization of freight rates, or we are going to attempt to bring it about". I agree with the hon. member for Port Arthur (Mr. Fisher) that the two resolutions before the house at the present time, relating on the one hand to the setting up of a department of industry and on the other hand to the setting up of a national economic council, provide an approach through which a more satisfactory answer can be reached with respect to the problem with which this resolution is concerned. Certainly there are many regional problems which must be taken into consideration, and it is the responsibility of the government to bring these various studies to a conclusion and to make sure that the various boards and agencies now in existence or which will be brought into existence have the definite responsibility to take some action in this regard.

To speak directly to the resolution, it is difficult to see that this is the answer. The resolution is reacting to the problem which must be solved. I would also agree that if passing this resolution meant that it would be referred to the committee concerned for further study, it would be a good thing; but I hardly think that the problem can be solved so easily. Let us remember as we consider this matter that this is not something new. It has been studied for a long time. I believe we must learn from the lessons that have emerged from the studies that have been carried on. To arrive at a more flexible and equitable solution of the over-all problem is something that, while necessary, is not just as easy as it would seem to be in this resolution.

We must also remember that in the decisions and studies which have been made, a great deal of progress has been achieved. As far as I am concerned as a westerner and