

who fear they may be injured by the application of this legislation, is an achievement of which the government can well be proud.

**Hon. Mr. Aseltine:** I would like to ask the honourable senator whether the point we are now considering was ever brought up in the other place?

**Hon. Mr. Kinley:** Well, I was not in the other house.

**Hon. Mr. Aseltine:** But you have the report of their proceedings.

**Hon. Mr. Kinley:** I know, but the report consists of many long documents. We have the statement of the minister: "I say here, as I said in the other committee, that I am opposed to the change."

**Hon. Mr. Hugessen:** I think my honourable friend will agree with me that in fact the amendment now before us was never suggested in the other place.

**Hon. Mr. Kinley:** I agree that in its wording the amendment is new, but I believe the idea of leaving the decision to the board instead of giving legislative effect to the one-and-one-third rule was always at the back of the minds of those who considered the bill.

Another reason why I approve of the section as it stands is that in my judgment it is the proper thing to do. I have listened attentively to the speeches this afternoon. They were informative. I was especially interested in the speech of the honourable senator from Vancouver (Hon. Mr. Farris), who in his eloquent way forcibly advocated what he believes to be the interests of British Columbia, and the thought occurred to me that over the years British Columbia has been well represented in the Parliament of Canada. In our committee the representatives of British Columbia impressed me as being alert, and this fact impelled me to think that that province has certainly been getting just about as much as anybody out of the freight service of railways. During his remarks today the honourable senator from Vancouver South (Hon. Mr. Farris) asked, "What have you to be afraid of?" Well, I would put the same question to him. What has he to be afraid of?

**Hon. Mr. Farris:** I told you today.

**Hon. Mr. Kinley:** I believe British Columbians fear that the transcontinental rate might be altered in such a way as to prove detrimental to them. The continental rate is made competitive because of waterborne freight and because of competition from American railroads running to the West Coast. These two factors determine what the transcontinental rate will be, and if it cannot meet competition it fails in its purpose. It seems

to me, therefore, that honourable senators can be assured that the transcontinental rate will not be interfered with to the detriment of British Columbia. There is no doubt that we all believe in the desirability of export trade. An honourable senator from one of the central provinces has said that he does not see how the legislation will do much for his area of the country. Well, the tremendous amount of goods bought by the rest of Canada from the central provinces puts enormous sums of money into the exchequers of those provinces, and so I really think we are all vitally interested in the freight rate question.

Taking the transcontinental rate as the yardstick upon which other western rates are based, you start with the transcontinental rate and add to it. In this case it was arbitrarily decided to add one-third. If this goes through, it will help Alberta and part of Saskatchewan. Will this not be a good thing for those areas? These two provinces have been arguing for many years that they have been discriminated against in the matter of freight rates, and claiming that nothing has been done to relieve their position. Now, to say that the transcontinental rate might be raised in the future because these provinces are given some benefit now, is not a good enough argument to keep this legislation from being enacted.

Let us turn to Winnipeg. The honourable leader of the opposition (Hon. Mr. Haig) was frank in his remarks this afternoon. He looked at two of his colleagues and said he supposed that because they were on the borderline they would vote for the legislation as it stands, while he would probably vote against it.

**Hon. Mr. Aseltine:** Do not be too sure.

**Hon. Mr. Kinley:** Well, the tyranny of our friendships sometimes controls our actions. I do not think any law can be made without somebody being dissatisfied, but I wonder if the industries of Winnipeg would really suffer as a result of this legislation? They are in a little better position than they were, because of the link between Sudbury and Fort William, which will cost the government \$7 million annually.

One must remember that the West is growing. When western American centres began to grow it meant that the prosperity of the ports of New York, Boston and Baltimore did not continue to advance as rapidly as before, but at the same time they did not suffer any great loss. They were merely sharing prosperity with the rest of the country. Today there are cities in the State of New York which are opposed to the St. Lawrence Seaway because they fear it will benefit other centres and prove injurious to themselves. Winnipeg may lose its present