

crease rates on the lakes. On the contrary, any shipper can fix his minimum rate. The only difficulty—and it may be a grievance, though I wonder why—is that when the shipper has reduced the rate and cut into the legitimate profit of his competitor, then he must keep that rate down thirty days. I suppose if anyone benefited it would be the farmer.

Hon. Mr. GORDON: But surely my honourable friend misunderstands that phase.

Hon. Mr. DANDURAND: Oh, no, I do not.

Hon. Mr. GORDON: If the freight rate were reduced the shipper would have to wait only three days before it went into operation. But that is not the point at all. The shipper goes to the railway company, and the railway company may take a good time to say whether it will give him that reduced rate. Then the matter has to go before the Railway Commission.

Hon. Mr. DANDURAND: No. Hon. Mr. Guthrie, Chairman of the Railway Board, said just the contrary; that the railways could reduce their rates. The only control the Railway Board has is by reason of the requirement that the railways cannot increase any rate without first obtaining approval of the Board.

Hon. Mr. GORDON: I venture to say the honourable gentleman misunderstood Mr. Guthrie altogether.

Some Hon. SENATORS: Order, order.

Hon. Mr. DANDURAND: As I have said, the interest of the farmer is ended when he collects the price of his grain. Then begins the operation of the trader, who becomes very keen for any profit there may be in securing a reduced rate; but it is his profit, not that of the farmer. Now, I invite any honourable member to question the correctness of what I am about to say. The Railway Board in its regulation of rates has always been fair to all—to railways, shippers, and the public. The Board has administered the Railway Act honestly and efficiently. I wonder what justifies any honourable member in thinking that the Transport Board would not do likewise with respect to shipping rates.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: My right honourable friend (Right Hon. Mr. Meighen) before recess touched upon a new feature of the Bill—agreed rates. Such rates are in operation in England. Our railway situation is disastrous. I recognize there are vested in-

terests to protect. I am somewhat ashamed to say that we all represent those vested interests. As taxpayers, we have individually to carry our share of the millions invested in the Canadian National Railways and pay our portion of the annual deficits. This Bill grants the railways what perhaps is their principal benefit, the right already exercised by the carrier by road or by water. Let me cite a short statement descriptive of what the carriers by water do. In his address before the Canadian Club of this city the Minister of Transport said:

There is one new feature of the Act, which has worked very well in England, but which has not been tried on this continent, and if we apply it here it will have to be applied with care, and that is the provision for agreed rates. A shipper and the railway may agree on a contract for a movement of goods over a period exclusively by one carrier, or may make any other contract they like, at a rate below the tariff rate. Of course that is giving the railways only the leeway that every other form of transportation has to-day. In any other form of transportation contracts can be made, and are made, for the exclusive movement of goods at any rate agreed upon. But the provision here is that the contract must be filed with the Board of Railway Commissioners, must be examined by them, is subject to the hearing of anyone who cares to protest, and must of course be non-discriminatory. I think that that is introducing into railway rate-making a feature that deserves a place and must have a place under present conditions, and I have every confidence that that will work out well.

And he adds:

Let me illustrate what happens in the present situation. Certain canned goods move from points on the Great Lakes—a movement that the railways had always had. Last year the steamboat people decided they were going to have that business, and not merely part of it, but all; so they went in and made a contract with the canning companies to move their canned goods at the head of the lakes at eight cents below the rail tariff. Of course the railway people were a little disturbed by that. They made very sure that that contract was binding, and then they went in and cut the rate on canned goods by rail from the canneries at the head of the lakes down to somewhere near the eight cents and made the boat people move the goods for next to nothing. That is just a sample of the kind of competition we are getting under the present situation, and I think that by making rules that will apply to all, giving them some flexibility—

This is an expression I heard this evening.

—and placing certain restrictions on rate-making on all sides, we shall be able to do something in the way of straightening the situation.

We have heard in this Chamber and in many other places in Canada that the railway situation is a serious one and that the Government and Parliament are doing nothing about it. The Minister of Transport has