

Hon. Mr. Vien: If something causes inequity, is it not iniquitous?

I submit that people located at intermediate points are not injuriously affected in any way. Our freight rate structure contains many other anomalies which cannot be done away with. This very bill freezes again, by law, several anomalous rate groups: for example, the Crowsnest Pass rate, the Maritime rates, etc. It has been said also that the people in Quebec and Ontario enjoy lower rates than those published on similar traffic consigned to other parts of the country. But the territory of Quebec and Ontario has a peculiar geographic situation; it is crossed and surrounded by waterways. If the rail rates in those provinces were higher, much traffic would be diverted to water carriers and some of it to American railroads. Surely our railway companies should be entitled to retain as much traffic as possible for their own lines. And why should Quebec and Ontario be deprived of the advantage accruing from their geographical position? This does not penalize the rest of the country, even if it creates anomalies in our freight rate structure. If by publishing higher rates in Ontario and Quebec our railways lost traffic, the people of other provinces would not be benefited at all. And similarly, people at intermediate points are not penalized because transcontinental competitive rates are published. British Columbia, for instance, gets a benefit by the fact that the rates to intermediate points in that province are a combination of the transcontinental rates plus the local rates back to the point of destination. Who suffers thereby? The rates to intermediate points in that province are lower, and the rates to intermediate points in other provinces are not made higher.

We are told: people want equalization of rates. It was aptly stated by the senator from Churchill (Hon. Mr. Crerar) that 50 per cent of railroad traffic in Canada is excluded from the application of this bill: namely, the traffic protected by the provisions of the Maritime Freight Rates Act and of the Crowsnest Pass legislation; also all traffic moving under other competitive or international rates, or joint through rates, etc. Certain territories, advantageously located, will continue to benefit from tariffs published for the purpose of retaining traffic, and no rate structure can flatten the Rockies or change other geographical disabilities. We

should all agree, it seems to me, that the Senate and the House of Commons should not assume the heavy responsibility of fixing freight rates. Parliament may declare a principle of national policy, and at times it has deemed it advisable to do so. Groups of rates have been frozen in our rate structure by law. From many angles the measures which have done this have been found to be detrimental to the carriers and to sections of Canada; from other aspects they are justified. As a former member of the other house, I recall voting there for the reinstatement of the Crowsnest Pass agreement, in 1922, and later, for the Maritime Freight Rates Act. I am still of the opinion that this was in the public interest, but it could be said to be a most unorthodox method of making railway rates.

Notwithstanding the exhaustive inquiry carried out by the Royal Commission and the very full information presented to the committees of parliament which have studied this bill, I am satisfied that we cannot today visualize all the conditions under which this section may be applied. It was for that very reason that, in 1904, parliament created the Board of Railway Commissioners, now known as the Board of Transport Commissioners. Theretofore appeals on rate and other railway matters were heard by the Railway Committee of the Privy Council. It soon became obvious that the cabinet, the Governor in Council, was quite unable to deal properly with such appeals. It had neither the time, experience nor organization to discharge those important duties properly. So the Board of Railway Commissioners was created and given wide jurisdiction. Since then, the board has at all times, I believe, discharged its duties ably, efficiently and in the best interest of all the people of Canada. Its first chairman was the Honourable Mr. Blair, from Saint John, New Brunswick, formerly Minister of Railways. The amendment recommended by our committee purports to give to the board discretionary powers. This is in keeping with the government policy under which the board has been created; it is a wise amendment.

If the iron rule expressed in the unamended section of this bill were enacted, the railways might find themselves obliged to cancel certain transcontinental rates. Who, may I ask, would benefit by such a change? If railway companies found that the loss