

Hon. Mr. McDonald: It is a good one too.

Hon. Mr. Paterson: The honourable senator was entirely wrong. The first elevator I saw was run by a horse going around a capstan. Then, there was another one that was run by a steam engine. Nearly every elevator today is run by electric motors. The carts that came in with the grain in those early days carried 30 to 40 bushels in bags. Today trucks will come in each with 500 bushels.

If the pools were taxed they would have to compete with us fellows, and build a little better type of elevator.

Hon. Hazen Argue: Honourable senators, before the motion is put I should like to say a few words.

I associate myself with other honourable senators who have complimented the honourable Deputy Leader of the Government for his competent introduction of this very important and complicated measure.

I want to associate myself also with the remarks of Senator McDonald who has just resumed his seat, in referring to the late Mr. M. A. MacPherson of Regina, Saskatchewan, who was a most outstanding Canadian, a man who over a whole lifetime completed successfully any job to which he set his hand. In the field of railway matters certainly he had become Canada's outstanding authority.

Mr. MacPherson, if I may say so, seemed to take at different periods of his life somewhat different attitudes to the same question. I can say that I was emotionally in greater sympathy with his general stand when he was opposing freight rate increases than I was when he said, for example, there should be after inquiry compensation to the railways for the Crowsnest Pass grain rates. Mr. MacPherson was a very outstanding Canadian who made a great contribution to the public life of this country.

I agree with Senator Thorvaldson in his stated opposition to any change in the Crowsnest Pass grain rates. That opposition is a nonpolitical thing in Canada because I know of no political party that is in favour of any tinkering with the Crowsnest Pass grain rates. Speaking for myself, I would be quite happy if the delay in inquiring into the Crowsnest Pass grain rates, to decide whether they are compensatory or not to the railway companies, is prolonged, because if there is one issue today on which the people of the Prairies are united it is in respect of those rates and in opposition to tinkering with them.

I must say that the people on the Prairies, generally, are suspicious of any activity that might tend to prove that these rates do not compensate the railway companies in an adequate way and that therefore the companies should be compensated from the national treasury. They view any move in that direction with considerable suspicion.

It is all very well for people to get up and say: "We want all controls off, and all regulations off." That is fine, and I certainly feel that there should be a maximum amount of competition wherever it is possible. But let us never forget that the industry of this country has been built up to a substantial degree by the existing tariffs. We have tariffs in this country against many goods coming into it from other countries. The people on the Prairies feel that it is right in the public interest that this great grain export industry should be encouraged by the provision of the lowest possible freight rates.

I do not think that there is any doubt that when this measure becomes effective the people on the Prairies and the people in the Maritimes as well, to a much greater degree than people in other parts of Canada, will be required to pay higher freight rates. Public money to the amount of \$110 million a year is now paid by way of subsidies to its railroads. One of the principles of this measure is to phase these subsidies out, and to increase freight rates, albeit as far as possible in a competitive way, and thus transfer the burden from the national treasury to the transport users of this country. I hope that in all of these steps the new commission, and the Parliament of this country, will see to it that the freight rates are as fair as possible and kept in relation with other general policies of the government across our country.

Honourable senators, I want to take what might be called a rather parochial attitude today, because I do feel it is required that a case be made in the direct interests of the people who will be affected—and adversely affected—by the abandonment of railway lines when those abandonments do take place. Let us not forget that the pioneers who went out to Western Canada to turn the sod and establish that great agricultural area spent years of their lives in endeavouring to get an adequate network of railways and railway branch lines to service the area. Their sons and daughters will not take kindly to any general wholesale effort towards taking up branch lines and undoing the work of their forefathers in bringing railway services to the country.