

Hon. Mr. MURDOCK: Does that cover the alternative rate from Buffalo?

Hon. Mr. McRAE: No. Under the British arrangement the alternative rate from Buffalo cannot compete. All that we can ship to-day through the port of Buffalo is wheat destined for countries other than Great Britain.

Hon. Mr. DANDURAND: The honourable member has not covered this point. I deny that the Bill will have the effect of increasing any rates on the Great Lakes and the St. Lawrence.

Hon. Mr. McRAE: Of course, the intention, I presume, is to put the Bill into operation to see how it works out. But what is this Bill for if it is not to increase rates?

Hon. Mr. SHARPE: Hear, hear.

Hon. Mr. McRAE: Did the Minister not tell us repeatedly that transportation rates on the Great Lakes were too low and the lake boats were insolvent? How are they going to be restored to solvency—by goodwill or by this legislation?

Hon. Mr. DANDURAND: The Minister said he was not concerned at all about the restoration of their solvency.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. DANDURAND: I have the statement before me. He said he was not concerned about restoring their solvency. Regulation of railway rates has satisfied the Western Provinces, but has not had the effect of restoring solvency to the railways. The West has benefited by low railway rates.

Hon. Mr. SHARPE: We have no low rates.

Hon. Mr. McRAE: I think that question is beside the issue. Let me deal with the railways and point out how little benefit they would get under this Bill.

In my opinion agreed rates should never be put into effect. If they are, they will be very hurtful to the small producer. It is even conceivable that agreed rates might apply to the big shippers of grain, and certainly a man who grows one carload of grain will not be content to pay a higher rate than is paid by the man who grows a thousand carloads. I think, therefore, you can wipe out agreed rates as a backward step.

Now I come to lake rates. I have no doubt that some of the package freight business can be restored to the railways, provided that summer rates on the Great Lakes are made high enough; but if they are, it will be too bad for the consumers of Western Canada who will have to pay the increase in the water rates.

The principal potentiality of this Bill, in the way of being helpful to the railways, was mentioned last night, I think, by the honourable junior senator from Winnipeg (Hon. Mr. Haig). We have heard much criticism of the railways in the past for not engaging in the truck and bus business for their own protection. I say frankly that I do not concur in that criticism. Nevertheless, if there is anything in that criticism, what is to be said about the conduct of the railways, since the Canadian Pacific Railway was built, in letting that great natural stream of freight, the grain of Western Canada, get entirely out of their hands, to be transported, as it is to-day, by individual shipping companies after it is delivered by the railway company at Fort William? I can see many advantages that would accrue from the railways' control of the wheat movement from Port Arthur or Fort William to Montreal or Liverpool. The railways could move the grain in such a way as to suit their steamship movements best, without the overhead expenses which are so burdensome in the case of the small companies; and there are many other advantages. Quite apart from these considerations, the movement of wheat by the railways from lake head to Montreal or to European ports would help them tremendously. If this Bill proposed that the railway companies should take over these bankrupt steamship lines at a reasonable price and handle the grain through to Montreal, and much of it to Europe, I should say it followed constructive lines. I would point out to the honourable leader of the House that when the Government comes to deal with this whole transport problem that question will be a very logical one to consider. If the Bill does not provide for that, it means nothing worth talking about, as far as our railways are concerned. I am not sure that my suggestion will be appreciated by the Western members of this House, but I maintain that our railway companies lost a great source of revenue when they allowed the grain movement of the West to get out of their hands before leaving the shores of this country.

I think this Bill has served a very useful purpose. There has been a great deal of discussion upon it, and much information has been obtained which should be helpful in the framing of a comprehensive bill respecting our entire transportation problem. I hope we shall have before us for consideration a real programme dealing with the woof and web of the whole transportation fabric, and that we shall not be asked to play with the fringe of it, as we are doing in this measure.