

*Equalization of Freight Rates*

cannot have a national transportation policy on freight rates without doing something about trucking. The hon. member gave us no recommendation or opinion as to how he thinks this can be achieved with freight rates at the present time applying in the federal sense just to the railways and not to trucks at all. Does he include water rates, which I think in a general way would come under that heading? Does he want to include the field of air freight, which is developing fairly rapidly?

Turning to another point into which he really did not get, although he did touch on the Crowsnest pass rates and said they were justified, I think it could be argued that the Crowsnest pass rates are a form of equalization. It was certainly argued at the last royal commission that one of the subsidies we are interested in, in our part of the country, the bridge subsidy, is a form of equalization which is equalling the burden which bears on shippers in western Canada. What about the maritime freight rates structure and what it is designed for? Surely that is an attempt at equalization.

Why I am so sceptical about the general good will contained in this motion is that the board of transport commissioners for a number of years, particularly from about 1955 to 1958, laboured hard and held a great number of hearings in connection with the equalization of freight rates, and most people, even the lawyers of the prairie provinces who were the most vigilant ones—for example, I think of Mr. Frawley from Alberta who came down to Ottawa—were prepared to admit that equalization was not particularly successful, although it did have some consequences.

I should like to point out to the hon. member and to the house that we now have over 1,700 agreed charges in existence. I think it is almost exactly at that figure now. This development of the agreed charge has resulted in a tremendous amount of the actual freight which is carried developing a relationship between the carrier—that is the railway carrier—and the shipper. It is all very well for the hon. member to talk about his region as I talk about mine in terms of northwestern Ontario, but how does a regional interest come in when it is possible for the shippers and the railways themselves to bargain for and to set an agreed charge? Obviously, just because of the fact that the truckers are so anxious to contest, or would like to contest, so many of the agreed charges, if they could, in terms of whether or not they are remunerative to the railway, this is a means of getting cheaper shipment of goods. If, as the record shows, the agreed charges are multiplying, and multiplying rapidly, I would argue that this

indicates that equalization in the sense of some kind of subsidization or adjustment in the class and commodity rates really does not matter much any more, and that if more and more of the traffic is getting out of the class and commodity rates it is almost impossible to see where equalization can come to bear. I think the hon. member and other hon. members who follow railway freight rates will admit the agreed charges are posted and they can be contested, and any shipper who wants an agreed charge to apply to him can take it up and, if necessary, force the railways to give him that particular rate.

Having made these criticisms of the difficulties of obtaining real equalization, Mr. Speaker, I should not like the idea to be left that either as an individual member or as one speaking for the New Democratic party I was very happy with the general rate situation as it exists in Canada at the present time. Just recently I attended a forum held in Winnipeg, sponsored by what is called the Canadian lake ports association, which is made up of the provincial government in Manitoba, some agencies at both the lakehead and Winnipeg, and supported by the provinces of Saskatchewan and Alberta. It is designed to increase the use of the Canadian lakehead for shipment of goods to and from the west, the whole idea being that water transportation, since we have it for eight months of the year, should lead to much cheaper goods. One of the conclusions which I have reached after attending this forum is there is some form of co-operation, or collusion, if you want to put it that way, between the leading lake shipper, Canada Steamship Lines, and the railways—I suspect the Canadian Pacific Railway mostly—and that this is designed to keep the rail-water rates just at a 7 per cent margin, no more, no less, over the rail rate into and out of western Canada. It is all very well for the royal commission on transportation to recommend competition between the various modes of transportation, although in a sense I would agree that that would be the ideal way to keep your freight rates on the lowest possible basis. But when we have a specific example where the lake-rail rate into the west and out of the west is only worth a 7 per cent margin, it is quite obvious why more general cargo is not being shipped west or east through the rail and water combination. It opens up the kind of problem with regard to freight rates that I do not feel the royal commission touched on, and I have very little hope that the board of transport commissioners or the government will open it up.

There is one other example I can give from my own region which would indicate