

There appeared before the committee a great aviator. He represented the views of those engaged in air transport—a new service in Canada. We are very proud of the men who, by their own individual effort and initiative, have undertaken to develop that service, and who have reached out into the north country. Their record is one of which every Canadian should be proud. For a number of years the Government has been intimating that it was going to establish an air service from coast to coast. If that is so, should we not at this time regulate that service and prevent it from getting out of hand as motor traffic has done?

Some Hon. SENATORS: Hear, hear.

Hon. Mr. KING: I asked yesterday about the rate f.o.b. Fort William, Vancouver, or Churchill. Let us say wheat is \$1.30 at Fort William or \$1.28 at Vancouver. Once that wheat is sold it is out of the hands of the farmer. It is true that the purchaser or the shipper of the wheat has other factors than the price to take into consideration. He must consider what is going to be the cost of transporting it from Fort William to Montreal or Liverpool; he must also figure on the cost of exchange. These factors enter into his calculation when he buys the wheat, and naturally he figures not on the minimum rate, but the maximum rate, and if he makes some money well and good.

So far as the regulation proposed in the Bill is concerned, we are informed by the Minister that the situation on the Great Lakes is a most serious one. We are informed also that the American Government, which has undertaken to bring motor traffic under control, has in mind doing something in regard to lake shipping. I think the Minister assured the committee that this Bill would not come into effect until the American Government had passed similar legislation. If that is true, surely the Senate and the House of Commons can take a judicial view of the situation and canvass it as it should be canvassed by every man and woman in this country. We are dealing with great public utilities. For years it has been conceded that utilities must be controlled. The various provinces and municipalities control their utilities, and now it comes within the purview of the Federal Government, I think, to follow that example.

Hon. J. J. DONNELLY: Honourable members of the Senate, though the measure that we are at present considering is a Government measure, it was first submitted to the Senate. The Senate saw fit to give all interested parties an opportunity to present their

Hon. Mr. KING.

views to the committee which considered the Bill. It is not the practice of the two Houses of Parliament to make an extended investigation into every measure that is submitted to Parliament. In this case the duty was placed upon the Senate to make the investigation, and, as only senators heard the evidence and cross-examined the witnesses, I think there is a much greater responsibility resting upon us in coming to a conclusion in this case than there has been in the case of any other bill presented to us.

I am not a member of the Committee on Railways, Telegraphs and Harbours, but I attended virtually all its meetings. I was very much impressed by the fact that the great majority of the evidence adduced before the committee was against the Bill. The Bill as introduced proposed a large measure of control over water traffic; the Bill now before us refers practically to only the Great Lakes and a portion of the St. Lawrence river.

When evidence was being given in regard to shipping on the Great Lakes one objection was taken that seemed to me unanswerable. It was that while the Transport Commission would have power to regulate tolls on Canadian boats, the American boats would still be free to come into Canadian ports and transfer grain to American ports. I am aware that the six-cent preference would prevent any interference with wheat destined to the British Empire, but it seems to me that a large part of our wheat which goes to the continent of Europe would be taken by American boats over to Buffalo and be carried to the Continent via American routes. Like previous speakers, I feel that during the season of navigation our railways cannot compete in the carrying of wheat from the head of the lakes to the various ocean ports.

One of the objects of this measure—perhaps one of its main objects—is to bring back to our railways a portion of the freight traffic which they have lost to the trucks. I was rather surprised to see the members of a committee of the Federal Parliament seriously drafting rules and regulations regarding motor traffic when admittedly 98 per cent of the motor traffic of our country is under the control of the various provinces. Most of the provinces were represented before the committee. I remember that one gentleman who appeared represented Ontario, Manitoba and Saskatchewan; another represented the province of Quebec; the provincial Minister of Highways represented the province of Nova Scotia, and Mr. Sloan represented British Columbia. All were strongly opposed to this Bill.