

Railway Act

the rates at the intermediate points cannot be over $1\frac{1}{2}$ of the through transcontinental rate.

There will be an opportunity to debate that section when we come to it. I have no intention at this moment of going into that question any further. It is highly contentious. Here again Ontario and Quebec are not interested, and I do not think the maritimes are interested. But unfortunately the provision has lined up the provinces of British Columbia and Manitoba on one side, against the section, and the provinces of Alberta and Saskatchewan on the other in favour of it. The section has had that result. The governments of these provinces had representatives appear before the committee, the British Columbia and Manitoba representatives opposing the section and the Alberta and Saskatchewan representatives approving it. I greatly regret that this has taken place. I think it is unfortunate for western Canada. I believe the difficulty could have been dealt with in another way, in order to avoid this friction, but at the moment that is the position. Section 332B is a subject of great controversy among the four western provinces.

Another provision in the bill is that a subsidy of \$7 million will be paid to help to defray the cost of maintaining the tracks of both railways across the rocky part of northern Ontario which in the past has been considered rather unproductive. The district is between Sudbury and Fort William on the Canadian Pacific Railway and between Capreol and Fort William and between Cochrane and Armstrong on the Canadian National Railways. The payment of this subsidy is to help keep down the freight rates on goods that have to go over that unproductive area.

I think that plan met with the general approval of members of the committee and also of all the representatives who appeared to give evidence. The details are not worked out in the bill. Hon. members will find all the provisions in section 18. The implementation of the policy has been left to the board of transport commissioners. It has been given wide discretion to say how much shall be paid to each railway and on what basis the amounts will be worked out. I think this policy of subsidizing that so-called bridge or gap is sound.

Then there is one other thing which has occurred to me as a result of the sittings of the committee. I think it is not accurate to describe the bill as an equalization bill. In the press and in our speeches the bill has been referred to in that way. I suppose that has been done because over the years the freight rates fights have been called fights to

equalize the rates, and that word "equalization" has been used to describe all the attempts that have been made to improve our freight rate structure. There is really not a great deal of equalization under this bill.

We might have equalization if we removed all the exceptions to the new section 332A; for example, if we removed the Crownsnest rate—I can hear every hon. member from the prairie provinces starting to swear under his breath the minute that is even mentioned in a debate; and nobody is suggesting that it should be done—or the maritime freight rates. If we are to have equalization, real equalization, then I suppose the Maritime Freight Rates Act will have to go out the window. Now all the maritimers start to shake their heads, and I quite agree with them. But this shows you how far we are from having real equalization of rates in this bill or in the near future. I suppose the only true equalization in Canada would be to have a freight rate structure such that you paid the same to have a car brought from Oshawa to Vancouver as you paid to have it carried by rail from Oshawa to Montreal. That is the kind of equalization that would appeal to me. If we had that sort then we would have what could properly be called equalization. However, I guess that is a long way in the future, too. Or we might have equalization by a wider system of subsidies. It may prove to be a good policy for Canada, through her federal taxation, to subsidize freight rates in different parts of the country so that Canadians would pay the same rates no matter where they may live.

However, we will be inaccurate if we describe this as an equalization bill. I think the minister will agree with me when I say that it is perhaps a start on equalization, but it can be more truly described as a step towards improving the freight rates structure of Canada. I believe it is certainly that. All the members of the committee, and also I think all the witnesses who appeared before the committee, were equally glad to have a measure of this kind being made law, with the idea that it would be a step towards improving the Canadian freight rate structure.

These are just rambling remarks having to do with the whole bill, and the impressions I gained as a result of those very interesting days spent on the special committee on railway legislation. As I have said, there will be further debate of course on the different sections. I am reserving my right to debate section 332B, and no doubt other hon. members will also wish to speak on that same section.