

Columbia Railway—I do not know where it runs; I do know, however, that I was one of the investors in the bonds of that railway and I lost my shirt. The railway company lost money there, but it was not allowed to increase freight rate to make up that loss. That is my whole point. If the house decides that the railways and all their subsidiary enterprises, with profits and losses, should go into the common pot, that is a proposition to which I do not subscribe. I have listened to a good deal of argument, and have read in the press many times of the refusal of the Canadian Pacific Railway to include profits from smelters in the over-all picture of railway operations for the purposes of rate fixing. Take for instance the railway hotels. Did the Canadian National Railways make money out of their investment in hotels? They were all built after 1921, and except for the Chateau Laurier, in Ottawa, none of them made any money.

Hon. Mr. MacLennan: The Nova Scotian is making money.

Hon. Mr. Haig: That is just in the last few years, but not on the capital invested.

Hon. Mr. MacLennan: I would disagree with my friend.

Hon. Mr. Haig: For years none of the Canadian National Hotels, except the Chateau Laurier, have balanced their budgets, let alone paid interest on the capital invested. The Canadian Pacific Railway has not made any money out of hotels. In those circumstances has that company any right to charge its hotel losses against railway operations? I say "No".

Hon. Mr. Beaubien: Well, do they not charge it against railway?

Hon. Mr. MacLennan: They do.

Hon. Mr. Haig: They do, but the Board of Transport Commissioners does not allow those losses to be taken into consideration in fixing the rates. There is no doubt that they are excluded. I am in favour of that policy, because I do not believe the railways should be in all sorts of business, and that my freight rates should be affected by the profits or losses in those investments.

I am in favour of the bill. My honourable friend from Grandville (Hon. Mr. Bouffard) made out a reasonable case. I do not think either the Canadian National Railways or the Canadian Pacific Railway will go broke through the payment of \$62,500 each, and I do not think the Shawinigan Falls Terminal Railway Company will lose anything—certainly nothing like the sum that was lost on the Columbia Railway.

Hon. Mr. Fogo: Does my friend not think the railway should pass along the savings to the shipper?

Hon. Mr. Haig: They will do so.

Hon. Mr. Fogo: That is all we want to know.

Hon. Mr. Haig: I will tell my honourable friend from Carleton (Hon. Mr. Fogo) of the problem the West faces. The difficulty is that Quebec and Ontario, which enjoy the benefits of water navigation transport have an advantage over us that makes it impossible for us to compete. We are at a geographical disadvantage, and I do not see how we can overcome it.

Hon. Mr. Fogo: If the railways want to overcome it, can they not do so?

Hon. Mr. Haig: I doubt it.

Hon. Mr. Fogo: I suggest that they can.

Hon. Mr. Haig: I have lived only in the province of Manitoba, but I am quite familiar with the problems of that area. I can remember a time when the Canadian Pacific ran a line from the city of Winnipeg to Winnipeg Beach, a distance of 47 miles, and it was the best paying 47 miles on the railway. Then in time the buses came along, and today it is one of the poorest paying portions of the railway. The reason is that one man can sit at the front end of a bus and take twenty-five people down to the beach, but the railway has to have five men to operate the equipment required to carry the same number of passengers by rail. Winter conditions in Ontario and Quebec make motor traffic possible much longer than in the West.

Hon. Mr. Fogo: Does my friend suggest that trucking rates cannot be regulated?

Hon. Mr. Haig: They can be regulated to a certain extent, but we cannot say to the people of Ontario that they must pay forty cents a pound on freight from Toronto to Montreal, which is about the same distance as between Regina and Winnipeg.

Hon. Mr. Fogo: Why not?

Hon. Mr. Haig: Because there is no way we in the West can get transport for the distance at less than forty cents. That is my argument. The honourable senator is reputed to be a pretty good business man, and I am sure that if there were a cheaper way of moving his freight from Toronto to Montreal he would be one of the first to take advantage of it. The difficulty must be recognized. As much as any man I am in favour of reasonable freight rates in the western provinces and in the Maritime provinces too; but facts must be faced. The Maritime provinces have had some consideration in this matter.