

one producer to get into the Vancouver market. It enables the producer to compete with the foreign producer and it also enables the railway to compete with the water route via the Panama Canal.

That is the kind of rate—the rate on tin-plate is the kind of rate—that the royal commission says is not to be included in the same grouping with these other competitive rates. I think it is obvious they are in a very different category.

Now, if I may turn again to the subject of equalization. At the outset I said to the committee that there was very much more in this bill than merely equalization. I have discussed a number of things and I have yet one more principal topic to mention that in my view is not necessarily allied to equalization as such. They are subjects that are collateral in the legislation and are not allied directly with equalization.

Clause 7 of the bill proposes to amend the Railway Act by adding a new section—that is 332A. This is the equalization section and under it is established what is henceforth to be the policy of Canada with regard to that subject. I venture to suggest that section was not an easy one to draft.

The other section of the Act, up until this new section was proposed, was not strictly speaking an equalization section at all—that was Section 314 of the Railway Act. Under that section we had equalization only if certain conditions were met and equalization under that section involved a showing that somebody was injured and that there was unjust discrimination. But, this section now in broad sweeping terms declares it to be the policy of Canada to have equalization of freight rates.

It is hereby declared to be the national freight rates policy that, subject to the exceptions specified in subsection four, every railway company shall, so far as is reasonably possible, in respect of all freight traffic of the same description, and carried on or upon the like kind of cars or conveyances, passing over all lines or routes of the company in Canada, charge tolls to all persons at the same rate, whether by weight, mileage or otherwise.

Now, the first observation I want to make about that is that there are literally thousands of industries in this country, big and small, which may be affected one way or another by any policy of equalization. I want to be fair about this thing. I am for it; I always have been for it; and I was for it before the royal commission; but I would not want anybody to go away with the view that I think perfect equalization is possible in this country.

As a practical man and having had some experience in these things, I believe that it is only possible to go a certain distance. You cannot have equalization by a stroke of the pen. There are too many industries in this country whose businesses have been built up on existing markets to do in one stroke an equalization job on a rate structure that has been under way or has been growing, perhaps like Topsy, for fifty, sixty, seventy years.

So, if I may make this suggestion to you: Do not please run away with the idea that because I put some qualifications on my view as to the desirability of equalization that I mean that I am against it. I am not. But there are limits and proper limits beyond which we must not, I hope, look for complete equalization. I am going to suggest to you that subsection (1), as I have read it, is far too sweeping. Subsection (1) in terms says: "...as far as is reasonably possible." Now, anything is "reasonably possible" but what is "reasonably possible" may not be in my humble submission the desirable thing. And so, what I am going to suggest to you is a slight modification or qualification of that, but before I do I would like to tell you something about why.