

power of parliament or the Board of Transport Commissioners to accomplish any absolute equalization of freight rates. My criticism of the section under review is that, as drafted, it limits the authority of the Transport Board to apply the equalization principle. The most fortunate people in regard to the effect of this legislation are our friends east of Montreal, particularly east of Levis.

Hon. Mr. McLean: No.

An Hon. Senator: And west of Fort William.

Hon. Mr. Crerar: I am not going to debate the point with my friend, but every privilege that the Maritime provinces have had under the Maritime Freight Rates Act is preserved intact by this legislation. The freight carried in that area is a very important segment of the freight business of Canada.

There are other exceptions. Indeed, the Minister of Railways recently informed the Transport Committee—of which I am not a member, but the chairman courteously permitted me to ask some questions—that at least 50 per cent of the total volume of traffic was excluded from the application of this principle of equalization.

Hon. Mr. Haig: Correct.

Hon. Mr. Crerar: Then how is it possible to carry out a policy of equalization of rates, when at the very commencement of the consideration of the matter it is agreed that 50 per cent, or half of the total freight volume, must not be affected by the policy? I submit that it is a sad mistake to hold out false hopes to many people who may think that by these amendments they are going to get an equalized system of freight rates.

I come now to the section under consideration at the moment, and the proposed amendment to it. Our colleague from Inkerman (Hon. Mr. Hugessen) gave a very clear explanation of the purpose of the amendment in the bill. The situation may be briefly summarized this way: By reason of competitive rates we find today that goods shipped from say Hamilton, Ontario, to Vancouver, enjoy a preferred rate. That arrangement was, in the wisdom of the authorities in the past, considered essential, but it has produced certain inequities. As our colleague from Inkerman (Hon. Mr. Hugessen) has stated, the rate from Hamilton to Vancouver on a carload of canned goods is \$1.57, while the rate to Calgary is \$2.97.

That is, the rate to Calgary was put at a point where the railway could meet the

charges arising from the shipment of a carload of goods to Vancouver and their shipment back to Calgary. I assume that Edmonton carries about the same rate. Our colleague from Waterloo (Hon. Mr. Euler) asked the very pertinent question, "What is the basis of this recommendation of one and one-third? Why was it suggested? Why, for instance, should the rate to Edmonton from Hamilton not exceed one and one-third of the rate to Vancouver? Unquestionably, as far as our Alberta friends are concerned, this provision removes or lessens an inequity. But such are the mysterious workings of freight rates, that in removing that inequity it produces another so far as the city of Winnipeg is concerned. Winnipeg cannot benefit at all from the application of the one-and-one-third principle.

So we have an anomalous situation which I may illustrate in this way. Assume that when the amendment to the bill is passed one carload of canned goods is shipped to Winnipeg and another carload is shipped to Edmonton. Relatively speaking, the increase in rates to Edmonton is proportionately much less than it should be on a mileage basis, with the result that an Edmonton merchant will be in a position to take in a carload of canned goods and ship it back as far as Prince Albert in competition with a Winnipeg merchant who, having received a carload of canned goods from Hamilton, also wants to ship it to Prince Albert. I submit that that produces precisely the same sort of inequity as we are endeavouring to remove by the application of the one and one-third principle to Edmonton as against Vancouver.

What is sought to be done through the amendment? All the amendment does—and I am supporting it—is to say that the one and one-third principle shall apply unless the Board of Transport Commissioners, for good cause, otherwise orders. In other words, while the amendment is peremptory and mandatory, in that it requires the board to see to it that these rates will not be exceeded by more than one and one-third in the case of Edmonton as against Vancouver, it gives the board latitude to consider further whether or not there is a good cause why this procedure should not be applied. Clearly it is beyond the power of parliament to study freight rates and to determine what is or what is not equitable. All that parliament can do and all that it should do is to lay down principles to guide the board; and from that point of view, I think, the bill would have been a better one had it been much simpler, and consisted simply of a direction