

does come from it, and that the eastern half will lose, if any loss is suffered. As to Manitoba, about one-quarter of the province might get a little help from the measure, and the other three-quarters will not be helped at all. Well, three-quarters are bigger than one-quarter, so I know how I am going to vote. If I were allowed to make a suggestion to the senator from Rosetown (Hon. Mr. Aseltine) and the senator from Blaine Lake (Hon. Mr. Horner), it would be that they toss a coin to decide how they should vote.

Hon. Mr. Aseltine: We will vote with Alberta.

Hon. Mr. Haig: Well, I shall not lose any sleep if you vote with Alberta. I think that what is being offered us here is a kind of compromise. Alberta might get some sentimental satisfaction if its position is upheld, but in Manitoba we are not being fooled for one minute by thinking that we shall get much relief or suffer much injury whatever decision is made on the matter here.

Hon. Mr. Buchanan: Let us not take any chances.

Hon. W. D. Euler: Honourable senators, I am not a member of the Standing Committee on Transportation, and though I attended one or two of its meetings I am not as familiar as I should like to be with the details of the bill. I rise only to make a few observations, but not in the hope that anything done here will enable me to sleep well tonight or any other night.

First let me say that I agree with the leader of the opposition (Hon. Mr. Haig), that while the purpose of this bill is to establish equalization of rates, that purpose is not attained.

Hon. Mr. Farquhar: I cannot hear you back here.

Hon. Mr. Aseltine: Wait till he gets warmed up.

Hon. Mr. Haig: Say something against margarine and then you will be able to hear him.

Hon. Mr. Euler: There does not appear to be much cause for me to get very warm about this. I cannot see that it holds out any great advantage for my province of Ontario. It is not possible to bring about real equalization of rates by this measure, because the bill does not do away with an already existing exception to equalization. I refer to the Crownest Pass rates. I may say without exaggeration that as a member of the House of Commons I had something to do with the continuing of those rates, some thirty years ago.

Hon. Mr. Aseltine: 1922.

Hon. Mr. Euler: When the rate structure has such exceptions as the Maritime Freight

Rates Act and this one and one-third rule, it does not result in true equalization. Perhaps we are trying to get as near to that as we can; the exceptions may be necessary to attain that end and I do not quarrel with them.

One point concerns me. Can anyone tell me by what means this figure of one and one-third was arrived at? It seems to me to be entirely arbitrary. The Spokane rate, which is 100 per cent, provides that no higher rate shall be charged for a short distance than for a longer distance. I am rather surprised that those who are directly affected, particularly the people from the Prairie Provinces, did not ask for the Spokane rate. How, I ask, did the proponents of the bill arrive at the one and one-third rate?

I wish to say a word with regard to the proposed amendments to section 332B. The bill as presented called for a rate not higher than one and one-third of the transcontinental rate. The amendment would incorporate into the section the words "unless the board for good cause otherwise orders". My friend from Lethbridge (Hon. Mr. Buchanan) is against the amendment for the reason that he thinks the clause as it stands gives some certainty. If I were from Alberta, I would have an additional reason for opposing the amendment. If I interpret the wording correctly, the board instead of reducing the rate below one and one-third might increase it. Perhaps I am reading something into the section which is not intended, but to me it says in good English that the railways may go to the Board of Transport Commissioners and ask for an increase of rates over and above the one and one-third rule. That objection was not expressed by my friend from Lethbridge, but it seems to me a sound reason why he would be opposed to the amendment. I would oppose it on the same grounds.

Further, I repeat that I have no explanation of why the arbitrary rate of one and one-third was arrived at, and that to me is important.

Hon. T. A. Crerar: Mr. Chairman, the purposes of the amendments contained in the bill to amend the Railway Act are several in character, but the important one is to be found in section 332A which declares the national freight rates policy. The only purpose behind that declaration that we have heard of so far, is the policy of equalizing freight rates as far as possible.

I am not blind to the fact that while the idea may be a laudable one, by reason of the character of our country, long distances and competitive factors, it is beyond the