

now become a must, and I am sure the honourable Leader of the Opposition would not wish to vote against it; for even if he is thinking only of the farmers of the Prairie provinces he must admit that this assistance is a means of providing a considerable market for lower grade grains from the west.

Also, honourable senators, I would ask the Leader of the Opposition if he would join with some of us on this university grants question in urging that the funds be distributed a little more fairly. Would he agree to the suggestion that has been made by some of us to the effect that these grants should be paid on the basis of the number of university students in a province rather than on the basis of the overall population of that province?

Hon. Mr. Haig: If, for example, a student at Dalhousie University comes from Prince Edward Island, part of the Prince Edward Island grant should be paid to the province of Nova Scotia. Under the present plan, if all the university students from Prince Edward Island were studying at universities in other provinces, Prince Edward Island would still be paid its full grant, although it would have no students to whom to pay it. What, then, would Prince Edward Island do with the money? I suppose it would keep it. My thought is that the Government, instead of paying the money to the province from which the student comes, should pay it to the province in which he is studying. I see no objection to an arrangement of that nature.

Hon. T. A. Crerar: Honourable senators, I have a word or two to say before the debate is closed.

On this first item of an additional \$2 million required for freight assistance, I am bound to say that I find myself in sympathy with the honourable Leader of the Opposition (Hon. Mr. Haig) and differing somewhat from the honourable senator from King's (Hon. Mr. McDonald).

It is worth while to look for a moment at the history of this business of freight assistance. It commenced during the war, and for a very specific purpose. The need of producing food, particularly meats, acquired very great importance at that time, and in order to stimulate pig production, particularly in Ontario and Quebec, this policy of assisting in the payment of freight on feeding grains—not from western Canada, as the honourable Leader of the Opposition stated, but from Fort William east—was adopted. It was never intended to be anything other than a war measure. It had not happened before. Prior to the adoption of this policy for war purposes, the farmers of Quebec,

Nova Scotia and Ontario bought their grain on the market and paid the freight on it. The objection to the policy was stated by the Leader of the Opposition. What is the basis today of cattle prices in Canada? It is based mainly on the Montreal and Toronto price; and for the greater part of the time this is true as regards hogs also. If the Government had a policy to pay the freight on the finished product, on the processed carcasses of cattle and hogs to eastern Canada from Fort William, the western farmers would be on a parity and a fair basis with eastern Canada. But that is not the case. What happens is that eastern farmers buy their grain at a reduced price because of this freight assistance, which by the way—make no mistake about it—the western farmer through his taxes helps to pay; and then this same western farmer has to compete with easterners in these livestock markets. I do not think that is fair.

It may be within the memory of honourable senators that when the war was over the continuation of this policy was advocated and sought to be justified on the ground that we were still in the aftermath of war, that conditions were upset and disorganized. But the arrangement has continued; it has been renewed year after year, and it appears now to be a permanent policy. All I have to say is that it is distinct discrimination against the producers of livestock in the prairie provinces. No successful argument can be made against that statement. If it is intended to equalize matters, freight should be paid on slaughtered cattle and hogs shipped to markets in eastern Canada. But were we from the west to put up a proposition of that kind it would not get very far. This vote exemplifies one of the things that we get embedded in our way of doing business; and there is nothing so difficult to remove as something which, having no terminable date, becomes a vested right or a vested privilege.

The honourable Leader of the Government (Hon. Mr. Macdonald) stated that this year the taxpayers have paid over \$16 million in freight assistance. I would respectfully suggest to him that the Government could cut its budget of expenditures—and heaven knows it is necessary—by removing this item from next year's estimates and putting us back where we in this country were before this policy was adopted—let me repeat, purely as a war measure.

I have not much else to say concerning these items. There has been some discussion on the final vote in this bill, a loan of \$1 million to help clear the Suez Canal. Personally my attitude is that the vote should