

Mr. KNOWLES: Some of the advocates of equalization, which resulted in section 336, have found to their sorrow a lot of the western rates are lower than they are in the east, and they do not want them increased. Mr. Frawley of the province of Alberta has said many times, "I am not going to be accused of trying to eat my cake and have it too. If it means that Alberta has got to stand an increase on some commodities, the government of Alberta is willing to do that in the interests of getting equalization completely". Other provinces have not taken that attitude.

Mr. FISHER: Do you feel that that has had any effect in so far as most provinces are concerned?

Mr. KNOWLES: Yes. The western provinces were all for hurrying up the class rate structure, because it meant tremendous reductions in the class rates for western Canada. But there are quite a few commodities in the west that are actually lower than they are in the east.

Mr. BROWNE (*Vancouver-Kingsway*): If I might ask a question, Mr. Chairman. The passenger rates were not included in this equalization; why was that?

Mr. KNOWLES: The passenger rates were equalized four or five years ago by the elimination of the last high rate above four cents a mile for the standard mileage of the railways.

Mr. BROWNE (*Vancouver-Kingsway*): I understand the mountain differential in British Columbia was never reduced on passenger rates, but it was on freight.

Mr. KNOWLES: Oh, yes, it was. It is four cents a mile, the same as any other province.

Mr. BROWNE (*Vancouver-Kingsway*): There is no charge on British Columbia passenger traffic, then, for mountain differential; is that correct?

Mr. KNOWLES: No.

Mr. FISHER: Mr. Chairman, I should like to return to my request for each member having a copy of the freight classification. I look on this as being sort of a "Hees college" on freight rates.

Mr. HEES: Mr. Knowles' college.

The CHAIRMAN: I think you are looking after that, are you not, Mr. Scott?

Mr. G. A. SCOTT (*Department of Transport*): Yes; but I do not see how they can get the number of the classifications.

Mr. CHEVRIER: Why not explain to the committee what it is? Are there not hundreds of thousands?

Mr. SCOTT: Mr. Fisher has asked for, as I understand it, a copy of the classification, which merely lists all the several thousands of items which may move by the railways, and it assigns to each of these a class.

Mr. FISHER: One of the purposes of the request is an educational one. It is obvious that Mr. Drysdale and several more members of the committee have admitted—and I am certainly prepared to admit this—that they do not know very much about this. Therefore, any information we can get on this subject would be valuable. Our library downstairs has not got it.

Mr. HEES: We will get you all we can, as fast as we can.

Mr. DRYSDALE: One of the underlying implications of this \$20 million increase, I think, is the fact of the Crowsnest pass rate agreement. I realize that is perhaps a rather touchy subject, but I am interested as to what Mr. Knowles, as a commissioner, might have proposed, looking towards the overall railway picture.