

*Freight Rates*

those unpopulated stretches the country should pay the difference, and I am in favour of that.

Mr. REID: No, I am not in favour of the railways paying it. I say the nation should pay it. If I said it should be paid by the railways I want to correct that statement.

Mr. MacNICOL: That is what you did say.

Mr. REID: I am very glad my hon. friend drew the matter to my attention. The country should pay the difference, because it is a national affair and not a provincial or local matter.

In conclusion let me ask the minister if, when he speaks again, he will give the assurance to the house that the request of the government that the board investigate and examine discrimination in freight rates be not only a request but a directive so to do.

It may surprise many members to know that in the Railway Act discrimination is allowed. If one looks through the judgments of the board of transport commissioners he will find all the way through that they do allow discrimination. But when it comes to the matter of unjust discrimination, that of course is their responsibility. Anyone who makes an appeal to the board will find great difficulty in proving to the board that a discrimination is unjust.

What makes me somewhat perturbed with the minister's direction to the board is this, as it is found at page 48 of the judgment:

Mere mileage comparisons do not afford criteria of discrimination; but all facts material must be given weight.

In other words under the body of regulations which have developed under the Railway Act, mileage is not the rigid yardstick of discrimination. Discrimination, in the sense in which it is forbidden by the Railway Act, is a matter of fact to be determined by the board. It will be found by anyone who will take the trouble to read the judgments that, contrary to popular belief, discrimination is allowed by the board of transport commissioners; this is done under the Railway Act.

What we have claimed and what we maintain is that the discrimination against British Columbia is unjust, and that no evidence can be or has ever been produced to show that it costs more to haul a pound or a ton of freight to British Columbia than to haul it to any other part of Canada. As a matter of fact when counsel for the Canadian Pacific was asked what it cost to haul any article, he admitted in evidence that no expert could tell just how much it cost to haul an article over any given distance of the railway.

[Mr. MacNicol.]

Mr. CASE: Is the hon. member arguing against the increase in rates, or for equalization?

Mr. REID: I am arguing at the present time that the increase of 21 per cent has placed a heavier load on the people of British Columbia than upon those of any other province. That is my argument today. I am asking and pleading with the minister that he give a directive to the board of transport commissioners—not merely a request to look into the matter of the different rates and of discrimination but to give them a directive to remove and to equalize rates, payable if need be from the treasury to the railways, and to make up any deficits incurred by them in that way.

I close with that request to the minister—to my mind a reasonable one. I could have taken more time to discuss the different rates, but I realize much has already been placed on the record, and realize also that the House of Commons is not always the best place in which to discuss the numerous differences in rates. When I discussed the matter during the years I was in opposition I did so with only one thought in mind, and that had to do with grain rates from the prairie provinces. British Columbia is the only province having a differential in grain going west. Grain going east carries only one rate, whereas on grain going west it is designated either as export or domestic. If it is domestic we pay fifty per cent more as freight than do the people abroad.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, I rise to speak mainly with respect to one aspect of the question before us. Therefore my remarks on the general situation will be brief; for, after all, the broad picture has been well covered throughout the course of the debate.

As the hon. member who has just taken his seat pointed out, what members from the west and from the maritime provinces object to is that the discrimination already in effect has been heightened and aggravated by the 21 per cent order. It has been pointed out from all sides of the house that this has an inflationary effect on the cost of living, and that it also increases the inequalities which already exist among the different sections of the country.

I must say I felt one of the most ridiculous statements made thus far in the debate was that made by the hon. member for Springfield (Mr. Sinnott) when on April 14, as reported at page 2964 of *Hansard*, he said:

I stand here as a dominion member, not acting for my own constituency; I am acting in as fair a manner as I can for the whole of Canada.