

Transportation

respect for the west and its agricultural industry that at present is missing as a result of the wording of the section in question.

Mr. Watson (Assiniboia): This is again one of the most important clauses of Bill No. C-231, as it pertains to agriculture and western Canada in general. I cannot help thinking of the time when Saskatchewan and Alberta became provinces, and of the fights that the farmers had prior to this time with the railway and grain companies, when they wanted to build a method of transporting and handling their grain.

The Crowsnest rate, set up in 1897 as a statute of Canada, protected the railway companies as well as the farmers who were to use the rails at that time. Over the past 60 years it has been instrumental building up the west, through the railways. We have now come to the point in our history where, through legislation, changes may affect the economy of Canada.

We do not say things should not be reviewed. It is only fair to review some things when we talk about railway abandonment. Some portions of line may be uneconomical to run, and they should be done away with.

Section 329 (1) says:

Not later than three years after the coming into force of this section, the commission shall inquire into the revenues and costs of railway companies subject to the jurisdiction of parliament that are attributable to the carriage of grain and grain products at the level of rates established or maintained pursuant to section 328—

• (8:20 p.m.)

I said that the agreement was set up for the protection of the railways. It guaranteed them a steady flow of business at certain prices. The agreement gave the farmers of western Canada the only protection they had. When I look at this map of the railways in the prairie provinces it becomes apparent that this vast network is maintained today mainly out of the revenue derived from the haulage of grain. Basically there is nothing else. There is an odd line such as the Pine Point Railway to service mineral developments in the north; there is the occasional branch line to service potash developments. But these are isolated cases. The Crowsnest rates are the only means we have of guaranteeing protection to the farmers and producers who use these railways. When we begin to make provision for a review of revenue not later than three years from now, it is the thin end of the wedge—

Mr. Pickersgill: The hon. gentleman is repeating a phrase which two or three of his [Mr. Sherman.]

hon. friends have used. I have the impression that notwithstanding the fact that I have tried several times to correct it, my efforts have been completely without success. Let me repeat: There is no intention whatever, indeed it is forbidden in this bill, to review the Crowsnest rates. They are frozen as hard as any legislation could possibly freeze them, for all time to come. We have even improved the situation by freezing them specifically for Churchill.

The review has to do with the cost of moving this grain, and nothing else. The review will not endanger the Crowsnest rates in any way whatsoever; in fact, it will safeguard them, and if hon. gentlemen opposite are right in believing that the rates are compensatory, the sooner someone can establish that contention objectively, the better, because then nobody could attack the rates. This is what we are seeking to accomplish.

I am just a little resentful of the implication in the speeches from members opposite that I—and all I have ever done in this house has been to strengthen the Crowsnest rates—am trying in some insidious way to get rid of them. I am doing the exact opposite. But I think the Canadian people are entitled to know what the position really is, since a royal commission appointed by the Leader of the Opposition said that these rates are not compensatory. We do not accept that view, but we do not say the reverse. All we say is that within three years an objective commission must find out what the facts are. If they reach a certain conclusion, they can recommend that a certain payment be made to the railways so that we can safeguard the Crowsnest rates. That is what we are trying to do. When the Meighen government destroyed them after the first world war, the Liberal government brought them back.

I am getting tired of this situation which is developing in the committee. The only time in the history of this country when there was any attack on the Crowsnest rates was after the first world war, and the attack was made by a Conservative government. I think they learned their lesson. We are trying to embed these rates as firmly as we can in the constitution. But hon. members should bear in mind that these rates are the only rates which have guaranteed almost in perpetuity in the whole freight structure in this country in favour of western farmers. All we are saying is that if these rates are not compensatory the treasury should pay for the difference, and not the other freight shippers in the rest of Canada. Surely, this is a reasonable position to take. It