

Transportation

though the government wished to ignore completely the real cause of the difficulties and deal only with the superficial aspects. For these reasons I cannot bring myself to support the bill in its present form regardless of how appealing some parts of it may be.

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, as a member of the committee on transport and communications and as a representative from western Canada, a large proportion of whose population would be directly affected by the passage of the legislation incorporated in Bill No. C-231, I feel impelled to take part in this debate.

I agree with many hon. members who have spoken that the objective of this bill is good. We in Canada have been carrying on a patchwork system of transportation for the last 60 years. We have taken old acts and amended them on a piecemeal basis. We have now reached the conclusion that a completely new concept of transportation in Canada is long overdue. Under the leadership of my right hon. friend from Prince Albert this party appointed the MacPherson royal commission in 1959 to look into the subject of transport and make recommendations.

● (5:50 p.m.)

It has been agreed by the minister and by other hon. members that the recommendations made seven or eight years ago were exceptionally good, but in the intervening years conditions have greatly changed to such an extent that I feel the whole concept of Bill C-231 is wrong. It denotes more or less a spirit of pessimism rather than of optimism. This point was well demonstrated in the speech of the hon. member for Qu'Appelle (Mr. Hamilton) in reply to the minister's comments when introducing the bill.

When the MacPherson royal commission report was received we in the west had gone through some economic setbacks because of crop failures with the result that railway revenues had gone down. But since then, as emphasized by the hon. member for Qu'Appelle, grain production in western Canada has almost doubled with the result that railway revenues, even though the companies are using about the same amount of rolling stock and the same number of miles of line, have doubled in the transportation of grain.

In addition, a great new development has taken place in the mineral industry of Saskatchewan to the extent that within the next five or six years railway revenue derived from the transportation of potash will equal

and possibly exceed the total amount realized through grain handling. The population of the west has also increased. Other industries are also developing. So it stands to reason that the railroads should have greater revenue.

Instead of an attitude of pessimism with respect to the economics of railroading I believe we should take a serious look at the principle of this bill covering subsidies and giving privileges to the railroads to increase their revenue by raising freight rates. This is a matter which was ably dealt with by the hon. member for Acadia (Mr. Horner) in his speech yesterday when he referred to the various levels of rates, particularly non-competitive rates and class rates. It is a matter of deep concern to people who have studied the bill.

Cost accounting techniques are another subject of grave concern. It is something which many witnesses discussed before the standing committee on transportation both in relation to Bill C-120, which we dealt with at great length in 1964, and in relation to the work of that committee this spring when its members took a trip west to study the problem incurred by the discontinuance of the C.P.R. Dominion passenger train. On each occasion witnesses indicated their concern about the figures we were going to consider when we would finally get around to dealing with the bill now under discussion.

The very title of this bill, "An act to define and implement a national transportation policy for Canada, to amend the Railway Act and other acts in consequence thereof and to enact other consequential provisions," is so wide in its scope that people are worried about it. Most Canadians realize that there is a necessity for new transportation legislation. I know the members of this party are in agreement with the principle that we should have new legislation, and the sooner the better, but because it is of such grave importance this legislation must be given the greatest study under the most ideal conditions and with the assistance of the best advice we can get from Canadian experts and possibly experts from outside the country.

As is clear from the evidence given to the MacPherson royal commission there is a great difference of opinion on the matter of cost accounting. We had to go outside Canada to get independent cost accounting experts to assist us in arriving at what we thought was a reasonable figure in the allocation of costs. On the basis of the present bill many people