

Railway Act

the members of the board in order that this be done. But once we have agreed that good salaries shall be paid we want to see action on this new legislation within a short period of time.

One other valuable feature of the bill in my opinion is contained in section 331, which gives the board the power of policing competitive rates. One of the most serious objections counsel for the prairie provinces have taken in the past has been that there was very little or no policing of competitive rates and that finally you had a system of competitive rates in central Canada which because they were so low resulted in excessively high freight rates on the prairies, in British Columbia and perhaps in the maritimes. We support section 331 which gives the board of transport commissioners the power to go into competitive rates, to require the railroads to name the competing carriers, to show the route over which the competing carriers operate, to show the rates charged and so on.

I was not at all impressed with the evidence given before the committee by counsel for the Canadian Pacific Railway. He told the committee the C.P.R. had no idea who were its competitors or what they were charging. He said the C.P.R. had no idea of the amount of traffic its competitors were carrying, and that it would be absolutely impossible to produce the kind of information asked for in section 331. It is true that the board may decide in its own discretion whether this information should be produced, but this section will enable the board to get from the C.P.R. information which the C.P.R. now says it cannot produce. I believe that if the board of transport commissioners does a good job, under the powers granted by section 331, the C.P.R. and the C.N.R. will be obliged to produce the necessary information about competitive rates. If we are to have equalized freight rates in western Canada without an excessively high freight rates structure the board of transport commissioners will have to do a great deal of policing of competitive rates. It is our hope that the board will carry out its duties under this section.

I should like to refer now to section 18, the subsidy section. Hon. members are well aware that provision is being made for the payment of up to \$7 million from the federal treasury for the maintenance of the trackage in the bridge across northern Ontario between Fort William and Sudbury on the C.P.R. I believe that as the new section is drafted the western provinces will derive some real

benefit if the board of transport commissioners carry out the purport of that section, which reads:

(5) The amounts paid under subsection one shall be applied to a reduction in the relative level of rates applying on freight traffic moving in both directions between points in eastern Canada and points in western Canada over the trackage to which the payment relates, in such manner as the board may allow or direct.

As I understand it, this section provides that the \$7 million shall be passed on to the shippers by lowering freight rates on traffic going over the bridge.

As I have already said, in my opinion the most important section in the bill is the one on equalization. I, like other hon. members, am no expert on freight rates, but it is my opinion that equalization could be brought about without the \$7 million subsidy. Therefore I say that the \$7 million subsidy should be used to reduce further the new freight rates for western Canada on long haul traffic. Representatives of the C.P.R. and C.N.R. were questioned, and they felt there was no difficulty confronting the railways in filing rates to bring about equalization. Equalization can be brought about, but when it is established the \$7 million should be used to bring about a reduction in rates affecting traffic into and out of the prairie region.

I am glad the bill was amended in the committee to provide that the maritime arbitraries will still be maintained. I know the maritimes have been greatly concerned lest this legislation should affect them adversely. I feel there is ample protection in the bill now for legitimate maritime interests. The maritime provinces have the Maritime Freight Rates Act providing them with a definite reduction in freight rates. My hope is that the \$7 million may be used to lower freight rates for people residing in the prairie provinces in the same way that the subsidy now paid under the Maritime Freight Rates Act reduces freight rates for the maritime provinces.

I believe this is a good bill, and I shall be glad to support it; but the main job will have to be done after the legislation is passed. It will be a job for the board of transport commissioners. The railway representatives have said that equalization can be brought about in five years. I would hope it could be brought about in a shorter time, but as far as I am concerned five years should be the maximum time parliament should give the board of transport commissioners to bring equalization into full effect. In a few weeks or less the board will have an opportunity of bringing in new freight rates that I hope will represent a step towards making this legislation effective.