

Transportation

the United States, and lower their rates to almost half the present rate of \$5.30 a ton. So the thought originally was that this enterprise would be able to stand on its own feet.

The proposition then was that the C.P.R. would cut \$1 or perhaps \$1.50 off the rate. The loading service at Port Moody would cost a little less, the shippers of the coal to Japan, whether in Japanese bottoms or somebody else's, would reduce their rates slightly; and perhaps the Japanese would pay a little more for the coal, in which event the shipments of coal to Japan, which keep hundreds of people in the Crowsnest pass employed, would be able to move forward without any government subsidy. This is what the miners and operators want, but they are now being held back owing to the failure of the C.P.R. to consider putting on a commuter train. They load a car of coal at Coleman which will then sit on a side line, to be hooked on to a train of mixed freight, at some indefinite time later, and pulled to Port Moody.

A boat at Port Moody may be waiting to load coal, but the coal shippers are required to pay a demurrage charge for the delay, which runs to about \$2,000 a day. These are matters the operators are up against in shipping coal to Japan, and that is why they are asking the C.P.R.,—which above all should be willing to consider running a commuter train to reduce costs—to take some action. Instead of hooking coal shipments on to a general freight train, which takes a long time to reach the coast, they could run a commuter train which would transport this coal in a matter of one day from the Crowsnest pass to Port Moody, where it would be unloaded and the commuter train would then return. This would cut costs. But you cannot calculate the cost of coal shipments to Port Moody the way things are now.

Last year these rates went up 15 cents a ton. The C.P.R. solemnly promised when these coal shipments were commenced that when their volume increased—and as I say, they are now running at about 800,000 tons—they would cut the rates. After all, this is good business for the C.P.R. and you would expect them to lower the rates. Instead of that they were raised 15 cents per ton. What are they going to do from now on? This is no laughing matter, Mr. Speaker. The people in the west are worried, as should be the Minister of Industry (Mr. Drury) and the Minister of Transport. These people are asking questions about this matter; they want to

[Mr. Kindt.]

know what is going to happen, because they have commitments.

If the railroads are freed from all government regulations and supervision they are in the position of making or breaking the people in the Crowsnest pass overnight. They are in the position of making ghost towns out of the whole area. This the C.P.R. can do by raising their freight rates. Therefore you can understand why these people are worried. I was in the area last week and talked to them about this matter, and both the miners and the operators are exercised about it.

Likewise, if the freight rates on farm machinery, foodstuffs and thousands of miscellaneous items like cars, and so on, are increased, then how on earth are the farmers of western Canada to meet the cost-price squeeze? For example, no farmer is in the position of being able to say that the price of his grain will go up 18 per cent, 10 per cent, 5 per cent or 4 per cent.

● (9:40 p.m.)

I am sure the Minister of Transport knows of the reasons why this should be so. The reason is simply this. In our economy farmers, as a group, are in the most perfect competition. They are the most perfectly competitive producers in the world. One farmer does not know that he is producing against another farmer, and that the sum total of the production has anything to do with prices. In other words, the farmers are in such perfect competition with one another that they are not conscious of the fact that they are competing with one another. This is vastly different from the Gary dinners of the United States steel corporations when they get together and talk about prices. Nothing is published about that, but there is discussion.

We have in our economy, therefore, on the one hand the steel industry which gets together with its Gary dinners, to talk, and on the other hand, perfect competition. A man such as a farmer, who cannot say what the price of his product will be, is the man who is in perfect competition. He has nothing to say about the price of his product, and the only protection he has is from government regulations and from parliament. I am speaking of the Canadian farmers.

If you are going to remove every bit of regulation from the railways, in order to allow them to put the costs of production up for the farmer, where will that lead to? You will have trouble, just as surely as the Minister of Transport sits there. You will