

Branch Railway Lines

travel on the railways, and in this regard they recommend the five year declining subsidy to which the minister referred. Third, they dealt with the question of light density lines. This of course will be a crucial part of the debate that will develop, in that we will be concerned about how we are going to handle this situation. The railways put forward the idea, which was accepted by the commissioners, that they should be allowed to abandon light density lines where the traffic did not pay the fixed or constant costs of the railway and the variable costs of the railway applied to such light density lines. The commissioners recommended a period of 15 years in which these adjustments could take place. They said that if the railways could demonstrate that the traffic generated on these light density lines was not sufficient to meet the constant costs and the variable costs, then in the national interest they should be a charge on the government if the government wanted the railways to continue operating these lines. The commissioners recommended a subsidy for the constant cost and also a maximum subsidy applicable to the variable costs. This is a subject I want to come back to later in the debate, because I think it will be the crux of the matter in determining whether good legislation has been introduced which will meet the demands of the present and future situations.

As the minister pointed out, there is no intention to break the Crowsnest pass agreement. I know it is very difficult for people who do not come from the prairies to understand the significance of the Crowsnest pass agreement to westerners. To us this is the charter on which we base our thinking. This is the basis on which hundreds of thousands of people moved into the area, established homes and cultivated and brought into production an area of land probably equal to the greatest agricultural areas in the world. I am thinking of the Ukraine and some of the great plains of India.

I am not going to go into legalistic interpretations with respect to the Crowsnest pass agreement. The agreement was made and the government of the day picked the railways as the chosen instrument to open up this area. To encourage the railways to go in there we gave them certain land grants and cash grants and finally we got the Crowsnest pass agreement with respect to one area. However, I intend to deal with it as it affects the whole prairie area, because that is the way it should be dealt with. If a member to my left follows me in the debate I suppose he will refer

[Mr. Hamilton.]

to the oil rights and mining rights that went along with the land.

A deal was made based on conditions over 60 years ago, and nothing has happened since to suggest that the agreement should be dishonoured or broken. In those days a small engine pulled a small number of cars and the fixed costs and variable costs were set. Today we have locomotives that can pull over 100 much larger cars and travel much faster. According to all the laws of economics, if the deal was economically sound then it is even sounder today. There is nothing in the evidence that any commissioner was able to dig up to prove that there are losses under the Crowsnest pass rates.

Mr. Herridge: Or on the Kettle valley.

Mr. Hamilton: I suggest to the minister that one reason why the railways have not pressed for quicker action on this legislation in the last year and a half is that exports of grain in 1961, 1962, 1963 and 1964 have been such that even a mediocre economist like myself can figure out with a pencil that they are making money on most of these lines they have set down for abandonment. I am going to have something to say about that, but not just now.

In winding up this part of my remarks I should like to suggest that if the MacPherson report and the legislation we pass to implement it end the discrimination that has existed, this report will be one of the greatest reports in Canada's history, not only because of ending 130 years of our history and bringing us into the new electronic age but because it is an end of injustice. You cannot build a strong Canada if the maritimes or prairies are suffering from discriminatory freight rates, and freight rates are such a large part of our costs.

If the royal commission report has achieved this objective, which I think is the highlight of the report, then it is to be expected that there will be honest criticism in the house in putting the report into effect without relinquishing our right to discuss the controversial parts and to make sure that the people of the country realize what this report means to them, namely at some time in the future a cessation of the continual pressure on taxpayers that they have had to undergo for over 100 years in the building of this nation.

I should like to call it six o'clock, Mr. Chairman.

Mr. Pickersgill: Before you leave the chair, sir, I wonder if the hon. gentleman would object if I pointed out that what he said was