

Railway Act

I sincerely hope that the bill presented by the hon. member for Kootenay West will receive the unanimous support of this house which it merits.

Mr. Bigg: May I be permitted to ask the hon. member a question? Can he give me an example of a complaint in this regard which could not be taken to the board of transport commissioners under the present act?

Mr. Winch: There is no question that it can be taken to the board of transport commissioners, but the board of transport commissioners has no power of final decision if the matter deals with the curtailment of services.

Mr. Bigg: May I ask another question? Is it the hon. member's wish that the board of transport commissioners should have the final say in matters concerning the railway?

Mr. Winch: I am afraid I shall have to ask the hon. member to state whether he is referring to the curtailment of services, and whether there should be an appeal beyond the board of transport commissioners to the governor general in council, as there is in connection with abandonment? I am not going to say the same provisions should not apply to curtailment. All we are asking now is that the board of transport commissioners have authority in connection with the curtailment of services.

Mr. H. C. McQuillan (Comox-Alberni): I have a great deal of sympathy, Mr. Speaker, for the hon. member for Kootenay West (Mr. Herridge) and his effort to increase the service into that area. We see that going on all the time all across Canada. Originally our railways were built to perform two functions, the first one being the movement of bulk freight and the second to provide essential passenger services. The rapid increase in highway construction and highway services, as well as air services, has caused the latter function to become less important. Today the primary function of the railway is the movement of freight, particularly the bulk freight provided by our export and agricultural industries.

Freight rates for these items must be maintained at a figure that will permit our export industries to compete in the world markets. The continued operation of non-profitable passenger lines will inevitably result in an increase in these rates. A few years ago I made a trip to the prairies with my wife and one of my youngsters. We went to a little town called Leask. It was the first time I had ever been in that part of the country, and if I had known anything about it I would not have bothered to take the train. When I got there the people told me

[Mr. Winch.]

that nobody travelled by passenger train in that part of the country. We had to transfer at Edmonton to a line that went down through North Battleford. There was a sleeper and dining car on the train, and my wife, youngster, one other passenger and myself made up the total passenger complement. At North Battleford we transferred to a local train that runs up to Prince Albert. There were two other passengers, an Indian and his wife along with my wife, my child and myself. I would imagine that the probable cost of transporting the five of us for 50 or 60 miles was about \$5,000. There are thousands and thousands of miles of such railway passenger services throughout Canada.

The end result of such operations is, as we have seen from the recent C.N.R. report, a deficit of close to \$30 million. The estimated deficit next year is upwards of \$50 million. The indications are that Canadian Pacific profits will be inadequate for the proper maintenance of the line, let alone any modernization. I should like to quote from a report prepared by Chief Justice Sloan following an examination of this subject some years ago. The report was submitted in November, 1954, and he said:

Other sources of rail revenues are incapable of absorbing the constant cost of rail operations. Revenue from main line passenger service could contribute in a limited degree but operating losses on passenger service on branch lines in areas that are relatively sparse in population must be offset against main line passenger operation. Dining car service, as such, is operating at a loss.

The railways then must endeavour to recoup this loss of revenue from some source if they are to operate on any sound financial basis.

Where do they look in an effort to recoup those losses? This search results in ever-increasing freight rates. About the same time, Chief Justice Sloan submitted another report in which he showed that a freight rate—I think he was referring to the rate on lumber—climbed in the period from April 1948 to June 1957 by approximately 125 per cent. These increases, of course, could have no other ultimate result than to kill these industries. If we continue adding to our railway costs by maintaining such services as are advocated here, freight rates will reach a level where we will not be able to compete in the export markets of the world. I think the hon. member for Kootenay West would be doing his constituency a greater service if he recommended the complete abandonment of the Kettle valley service. Perhaps then the railway serving that area could give a freight rate that would allow the industries in Kootenay West to stay in business and maintain employment, about which he is also greatly concerned.