

Transportation

I was about to conclude when the minister's intervention distracted my attention. I spoke of our hope that the federal government or the proposed transport commission will provide some assistance in the construction of highways in areas where railway lines are to be abandoned. This would only be fair, in view of the importance which the people in western Canada place on Crowsnest pass rates. I therefore hope the minister will allow this bill to be studied in committee before second reading. I am sure that there may be some amendments. The minister admitted that there has been some haste with regard to the preparation of the bill, and it seems that would be the proper course to follow.

• (9:20 p.m.)

Mr. Lawrence E. Kindt (Macleod): I shall not speak too long on this particular bill, Mr. Speaker, but there are some things which I have been hearing in the west which I should like to place before the minister. I just came from there, landing here tonight about 7.15. I feel I should put these matters on the record, and I am glad of this opportunity to do so.

First of all, I should like to refer to branch line abandonment. Some time ago I attended a meeting at Glenwoodville, southwest of Macleod. The hall was filled. The meeting was concerned with the abandonment of the line from Glenwoodville to Cardston. The people were worried or the hall would not have been filled. They were worried about what a railroad bill might do to them. I see the minister is laughing, but I shall take him to task before I am through if he does not take that laugh off his face. This is no time to be laughing. This is a serious matter and it is dead serious.

The people at that meeting were greatly exercised about what would happen to their line from Glenwoodville to Cardston. The agent for the Canadian Pacific in Lethbridge let word slip that this line was one slated for abandonment. This was the reason for holding the meeting. Even the Hutterites in that area, people who seldom attend meetings, were out in force. The meeting organized an association to present their case at the proper time. I suggested this course to them and told them they should get their brief prepared. I am sorry the former minister of finance, the hon. member for Davenport (Mr. Gordon) has left the chamber because he has done many cost studies. I wonder if the Minister of Transport ever made a cost study? I wonder

[Mr. Nasserden.]

if he ever had to work on a study and set the capitalization for a corporation? I wonder if he would know how to do it, if he were charged with the responsibility of this commission that is being set up?

In other words, this legislation is expecting the commission to do costing work which they are not able to do. I doubt if there is anyone in this room who can do a capital study or a proper costing study for a railroad. I have made many costing studies for railways and other companies. I do not hesitate for one minute to say that, whatever costing studies are made by the officials of the Canadian Pacific, they will not be acceptable to those upon whom the decision about abandonments is to be placed. Upon whom are you going to depend? You may call it rationalization, but before you can rationalize you have to have some figures. What rate of interest are you going to charge in your costing study? Are you going to charge 1 per cent, 5 per cent, 2 per cent or 6 per cent? I will tell you this much, you can make any branch line in this country appear to lose money by charging 6 per cent or 7 per cent interest. This commission has got to decide the interest rate to be charged in a costing study. Is the minister prepared to stand behind some fictitious interest rate that may be pulled off the shelf, and applied, to show whether a branch line needs a subsidy or whether the rails should be pulled up and the line abandoned? Legislation predicated upon that type of approach will never satisfy the people of Canada because it just cannot be done.

All you have to do to satisfy yourself about that is to talk to the Board of Transport Commissioners. I had many opportunities of talking to them when we were dealing with the disruption of passenger service between Medicine Hat and Lethbridge and between Lethbridge and Calgary. The Canadian Pacific ran a little car up and down that line, you know. They said they were losing money. We challenged the figures presented by the railway company. We asked them to let us in on how they made their computations, what their interest rates were and what capitalization they took into consideration. Did they take into consideration also all of the subsidiaries that had been set up by Canadian Pacific? Had they drawn off all the money and put it into other things? Were the income and capitalization of these subsidiaries taken into consideration in calculating the