

*Branch Railway Lines*

the gap between Winnipeg and the head of the lakes, or roughly that area, on the C.N.R. I have read the recommendations of that royal commission. I have gone further back and read the recommendations of the royal commission of the early 1930's, and in my judgment one of the great tragedies of this whole question of governments dealing with the railways is that the recommendations of the commission of the 1930's were not more seriously considered. However, as a reasonably well informed student of these matters I know that the government was aware of the fact that we were then in the throes of the depression, and that any move in those days to make the railways efficient and to let them have some reasonable chance to cope with their rising difficulties would have practically been construed as being against the interests of the many thousands of unemployed.

When you go over those recommendations, Mr. Chairman, and think what would have happened in the last 30 years if some of them had been implemented, these losses which have piled up all during the years would never have occurred and the situation we have to deal with today would not be so extreme. So I hope that all members of this committee, regardless of party, realize that the first responsibility we have to face in regard to this legislation is that for the good of Canada we will have to get the railways into some form of rational situation where they can cope, and are just another private enterprise concern in this country.

Speaking for a moment on behalf of the farmers, at least those on the prairies, I think they want more than anything else probably to be freed from the fear that the old system which was in effect in 1958 and 1959 will be continued. Every year or two they have been exposed to accelerated freight rate increases, increases which do not apply to the great bulk of areas in other parts of Canada, and to be freed from this fear is one thing above all others which they would like. Having pointed out what I think is the highlight, and never forgetting that removing this discrimination is the main objective of us all, if this legislation frees us from that fear I think it should get the support of all parties, not just the support of the government party.

However, it is up to us in the opposition to bring forward as clearly as we can some of the great concerns we have about the implementation of this legislation.

For the sake of the record, I should like to mention one or two historical facts about the

[Mr. Hamilton.]

way this problem has been tackled. Many members will recall that when the government of which I was a member took office it was faced almost immediately with a succession of difficulties relating to wages paid on the railroad, always under the threat of strike of some form. These negotiations were always on the basis of a strike situation, but we met these situations as well as we could. We finally set up a royal commission, and paid a temporary grant of \$50 million per year in an attempt to keep the situation stable until this royal commission report could be acted upon.

The order in council establishing the royal commission was dated in May, 1959. The first volume of its report was received by the government in March of 1961. The second volume was received in December of 1961, and the third volume in July of 1962. Even before the third volume was received certain action was under way by the government to prepare itself for the production of legislation to meet at least some of the recommendations of that royal commission. The resolution was ready in the fall of 1962 and was referred to in the speech from the throne at the beginning of that session of parliament.

One of the most painful memories I have of that session, knowing the many hours that had been used in the preparation of this resolution, relates to my feeling at the time I read in the newspapers, as evidenced by the attitude here in this house, that the opposition was determined not only that no estimates would go through, but no legislation would be passed. One of the most devastating and determined efforts of the opposition to block legislation occurred in the fall of 1962, and continued at greater lengths than ever before. We had to take certain steps, and I should like to outline for the first time in this house some of the steps that were taken.

There was great uncertainty in the country at that time as to what would happen to the recommendations of the royal commission, not only on the part of many farmers, but on the part of governments which felt affected. In the fall of 1962, after a great deal of preliminary negotiation and, if I might say so, skirmishing, we finally arranged a meeting of the officers of the two railways and the grain trading companies, pool and private, in western Canada. These two factions, old enemies as they were, faced up to the fact that the day of the railroad being used as a chosen instrument, under which all the obligations that the railroad could not meet through