

*Freight Rates*

Had these controls not been released, I am convinced that what has happened would not have happened, or at least it would not have been necessary even from the point of view of the railways.

I am going to suggest that even at this late date, twelve days after the rate went into effect, the government should still reconsider its position and immediately disallow this increase in freight rates. I have much evidence to support my contention, and it should be convincing to the government.

I have here a letter from the Edmonton chamber of commerce. It is a long letter and I will not read it all, but I wish to put on the record one paragraph which sets out their position clearly. It is dated April 13, 1948, and reads in part:

The chamber has been advocating, and still advocates, the appointment of a commission of the prestige and influence of the Rowell-Sirois commission, because the chamber feels the question of freight rates is the single most important matter facing the Canadian economy at the present time.

Mr. GIBSON (Comox-Alberni): They were reflecting on the transport board?

Mr. BENTLEY: They say in this letter that they are not, and neither am I. I am reflecting on the government, which my hon. and independent friend the member for Comox-Alberni supports on nearly every occasion.

Mr. COLDWELL: And this one.

An hon. MEMBER: Shame.

Mr. BENTLEY: Yes, shame.

Mr. GIBSON (Comox-Alberni): Just enjoy yourself.

Mr. BENTLEY: I have made no reflection on the board. It is not very often that I support chambers of commerce, but in this matter the whole west, and I am speaking as a member from the west, no matter what the political, economic or social views of the people there may be, is in agreement that this increase was unnecessary and unfair. The people there ask, as I do, that a complete investigation be made into the whole matter. I have quoted that paragraph because I believe that a letter from a chamber of commerce has infinitely more effect on my Liberal and Tory friends than letters from any other source that I can think of—even an ecclesiastical source—because that is their greatest god.

I say therefore that the disallowance should be effective right now, even though twelve days have passed since the freight increase went into effect. Even though a good many months have gone by since the release of controls, I say that the government—and this, I assure you,

[Mr. Bentley.]

is not coming from any communist source—should immediately reimpose price controls as they have been asked to do so many times by members in this part of the house and by people in many parts of the country.

I suggest also, as the chamber of commerce does, a complete investigation into the whole capital structure of the railways until we find out exactly what they are worth intrinsically and what they should charge as capital and fixed charges. With the overcapitalization as it is—and this is backed up by the authorities I have given—who, I ask, can look at a railway statement and determine, for example, whether their depreciation reserves are the proper ones, until we know what the capital figures of these companies actually are? Who can tell whether any of the percentages of their earnings indicate their proper earnings when no one knows exactly what the institutions are worth?

For that reason, and in the interests of and fairness to the country, I believe the government should accept the three recommendations I have mentioned.

May I make one more reference to the Edmonton chamber of commerce. They say that they feel the question of freight rates is "the single most important matter facing the Canadian economy at the present time." I will not say I fully agree with the importance they attach to it as the greatest single factor in the national life of Canada, but it is a great factor and quite in line with the statement made by the hon. member for Rosetown-Biggan (Mr. Coldwell), the leader of this party, when he said that it would cause a strain on Canadian relationships if this freight increase went into effect.

The hon. member for Lethbridge (Mr. Blackmore) went further and said the strain would be so great that it was possible it would cause a great rift in our Canadian national unity. The chamber of commerce apparently is rather of the same view. I suggest therefore that the words spoken by hon. member for Rosetown-Biggan and the hon. member for Lethbridge were not idle words. They sprang from the thoughts and the information which we find among the people in the country, who distrust actions of this kind.

If, as I said before, it is necessary for Canada to subsidize railways to some extent, then they should be written down to their proper capitalization, and the extra debt that is to be serviced should be paid back by all the people of Canada, including the two central provinces. It would strengthen the bonds of Canadian unity if such action were taken.