

Transportation

I quote Mr. Gobeil again:

Third, I believe that, if there is a loss associated with the carriage of grain it is due to the cost of maintaining light density lines rather than the cost of carrying grain.

We suggest to the government that the proposal to review these rates in three years is in error. I appreciate the fact the minister had to leave for a moment so I am directing my remarks to his parliamentary secretary. He comes from British Columbia and is able to appreciate the transportation costs with which we in the prairie provinces are stuck. He must appreciate how strongly we feel about this contract into which our forefathers entered. This contract was the reason people went to western Canada in the first place. They were told by the government of the day that they would be able to settle there. The government gave them the assurance they would be able to get machinery in and their products out to the export market. This was the essence of the Crowsnest pass agreement. We claim that this contract is inviolable. This provision in the bill concerns this contract and we want this provision removed.

If the government feels that this new commission should make studies, that is fine. The commission already has the power under clause 15 to inquire into and report to the minister on the relationship between the various modes of transport within, into and from Canada, and upon the measures that should be adopted in order to achieve coordination in development, regulation and control of the various modes of transport. The commission has the power also to undertake studies and research into the economic aspects of modes of transport within or from Canada. When the government singles out the rates on grain contained in our inviolable contract this means that the government feels it is subsidizing the western grain grower. We immediately and completely reject this idea. We want the government to have a look at this provision. We are not going to accept the government saying to us, we are not really taking away the Crowsnest pass rates; we are going to study them.

As has been pointed out earlier, upon what basis are these rates going to be studied? Are the railways going to present more nonsense about ton-mile costs? Are the railways going to use figures compiled three years ago? What figures are they going to use? We do not want to get involved in this study. The commission has the power to conduct studies in relation to any line or any particular product. Why does the government single out the Crowsnest pass

rates? The only provision should be to the effect that these rates will be maintained. We do not want these rates to be studied three years from now, by whom we do not know. We do not want variable costs used about which we know nothing.

There have been innumerable royal commissions on transportation. If you look at the reports of those commissions you will find that all of them suffered from the same problem as that to which Mr. Gobeil referred, namely, the lack of accurate figures. In his report Mr. Gobeil refers to the fact that at the same time witnesses were giving figures on the cost of grain movement the staff of the railway were preparing changes in those cost figures. At the moment we are talking about the C.P.R., a private company. The best estimate this company could make was that it suffered a loss of \$2 million on hauling grain under the Crowsnest pass rates.

I suggest to the government and to the parliamentary secretary that this is not too great a cost for the Canadian Pacific to bear considering the real estate it acquired under that agreement. I suggest that the return the company realizes from the real estate alone is far greater than \$2 million a year. We feel very strongly that the Canadian Pacific particularly has had the better of the deal. We believe that this provision which enables the entire grain hauling operation to be considered within three years is totally wrong. We will not accept it.

• (6:00 p.m.)

The hon. member for Acadia referred to the problem of modernization and mechanization. We feel that the railways have lagged behind. They have done so intentionally to put pressure on the government to change these rates. We believe that this section will allow them to continue applying that pressure. Notwithstanding what the minister argued last evening, I do not accept what he said because the railways have been applying pressure all along. They are past masters at applying pressure on the government to get more money. What did they do in their recent labour difficulties? They did nothing until the matter came to parliament. Then parliament had to pay them money in the form of a subsidy.

I suggest that this section asks the railways to continue behaving as they have been, when they ought to be modernizing and mechanizing, particularly in those areas involving the handling of grain. If we are to continue exporting grain on the scale we have been in the