

Transportation

There is also the St. Lawrence seaway in connection with which problems are developing. Yesterday the hon. member for Acadia mentioned the problem of seaway tolls. The people of western Canada, as captive shippers, are very dependent upon the seaway and shippers through the great lakes, I do not believe this aspect has been fully covered in our discussion.

The section of the bill dealing with pipe lines is another important aspect. This important mode of transport, although covered in the bill, is still subject to many limitations. The hon. member for Shelburne-Yarmouth-Clare brought to the attention of hon. members the inadequacies in this legislation in so far as pipe lines are concerned. As members of the committee know, this man has spent a lifetime in the oil industry and knows something about the transportation of this particular commodity. In fact I believe he mentioned he had a chance to look at something like 15 or 16 bills related to pipe line transport in other countries.

One of my colleagues says that this man helped to build 15 or 16 pipe lines. If we had had the time, here was an opportunity to explore the knowledge he had, and possibly have developed a better bill thereby. When we did criticize various aspects of the bill, I do not believe it was necessary for the minister to hide behind the fact the Conservative party had set up the MacPherson royal commission in the first place. I know on various occasions this hint was thrown out by the minister, that after all the Conservatives set up a commission which made certain recommendations, and therefore they must be good. This does not necessarily follow, Mr. Chairman. The government does not have to adopt any of the recommendations if they do not desire to do so. Many of these recommendations were worthy of consideration and we did consider them. When I say I am not satisfied with the bill, I think it is a wrong concept to take the lid off and allow the railways to set rates as high as the traffic will bear. This is what we have done in this piece of legislation.

I was naturally happy to see section 329 of clause 50 voted down by the committee. This directly preserved the farmer's Magna Carta of 1897 on rates affecting the movement of grain or the Crowsnest pass rates as they are called. Had the minister's amendment to clause 94 been allowed it would have been, as the hon. Leader of the Opposition said yesterday, like putting a weasel in a chicken coop, or the first chink in the armour, or hole in the

dike. The supposition now that the Crowsnest pass rates cost the railways \$2 million is inaccurate in this day and age. This estimate is based on cost accounting practices that were questionable in the first place, and in the second place, the figures were based on traffic back in 1950 to 1960.

Members of the committee and people at large in this country, particularly those in western Canada, realize the vast changes in economic growth since 1960. These changes have been reflected in the movement of grain. This year we have produced something like 800 million bushels of grain in the three prairie provinces. If we include flax, oats, barley and corn, the total volume would reach something like 1,200 million bushels. Then, the discovery of vast deposits of potash in Saskatchewan since the time of the MacPherson royal commission has greatly enhanced the economy of the railways. I believe therefore we have been basing some of this legislation on figures which were outdated.

I do not believe the change in concept to allow rates in Canada to be set by competition will work well in a country of such vast geographic proportions. If we compare Canada to the United States, we find we have a somewhat greater geographic area. The United States has a population of something like 200 million people. So as a result you would feel that this concept of setting rates by competition would work much better there. As the members of the committee and the minister know, from the testimony we heard, the United States set rates in all fields of transportation by regulation. This principle applies also to other countries of the commonwealth. Here we have a young country with one of the greatest geographic areas in the world, sparsely populated, trying to use a concept which I do not believe will work too effectively.

We should have listened to the evidence given by Professors Borts and Williams, to which reference has been made by other members of the committee. I feel these were the two top expert witnesses who were brought in on behalf of the Government of Manitoba to testify from their knowledge and experience in transportation as to what they would suggest could be done to improve this bill. Of course their suggestion was that we completely reverse the concept and regulate rates.

Now, having said that, Mr. Chairman, I should like to conclude my remarks by making one or two short references to rail line