

*Freight Rates Reduction Act*

The same applies to the month of May. Once the board receives the bills and issues an order, then they can be paid.

I would assume that the board has long ago received the bills for the months of May, June, July, August and September. And the question arises as to whether the railways have had payment or not, and I would assume they probably have had for at least two months of that period. The question as to whether they were illegal or not, is one for a Philadelphia lawyer to determine. I do not think it is a critical question but we shall have to look for some assurance in connection with it.

The question that is in our minds, because we are critical of the government for continuing this palliative instead of coming forward with a clear national transportation policy, can be put in its proper position by some points made by Mr. Eaton in his article for the royal commission on transportation, dealing with tax problems. He is talking about the western grain rates, and from there he leads into what I think is a criticism which can certainly be applied to the government.

He says:

The balance of argument is so strong today in favour of shifting the burden of this national policy commitment to western grain growers over onto taxpayers generally that probably only headings for the case need be presented here.

(a) The competitive position of the railways vis-à-vis other forms of transport becomes increasingly untenable. The basis upon which they can recoup losses forced on them by statutory limitations inevitably becomes narrower and the distortion of "normal" rates on this account becomes increasingly severe and intolerable.

(b) It is palpably unwise economically for Canada, with such a high stake in export markets, to add in to the transport costs of export industries generally by shifting to them a part of the cost of assisting the grain export trade. Likewise this is quite unfair.

(c) Even in the absence of a competitive problem, leaving aside also the important aspects of export trade generally and even assuming a strongly inelastic demand for railway services, it still would not make good sense in a country such as Canada, where geography so hampers national economic development, to distort normal forces determining the location of industry by giving such a high degree of relief to one section of the economy and charging it as an expense against all others. This exaggerates existing national problems. For example it must have the effect of blurring somewhat the vision of expanding northern development.

(d) Finally, as a matter of simple logic, if the public generally are to be called upon to support what is essentially a political policy of continued assistance to western grain growers—and it appears that they are—then the public generally, as taxpayers, should bear the cost of this policy. The mere fact that the policy of assistance in this direction happens to take the form of transporting grain products below cost should not mean that transport costs of others in the economic community should be correspondingly inflated in order to recoup losses.

[Mr. Fisher.]

The above four points, it is believed, build up to a pretty strong case for a rather drastic departure from the status quo. The proposed shift in burden is a quite striking corrective of a situation that through the years has had to get worse before it could get any better. It is understandable that in the relatively simple and uncomplicated days of decades ago the freezing of rates for the grain trade seemed a very sensible and satisfactory way of dealing with the problem. However many things have happened in Canada in the meantime, and a rather lusty flock of chickens has come home to roost. Not least of all the things that have happened is a very fundamental change in the basic philosophy of government. It has changed markedly from what it was even two short decades ago. Governments today take upon themselves full responsibility for the state of the economy. They presume to be responsible for all phases of the economic health of every industry. They take credit to themselves for full employment, prosperity and expanding capital investment when occasion permits them to do so and the opposition at the same time forever attempts to pin on them full blame for all the economic ills and deficiencies, including acts of God that we fall heir to.

That last sentence, of course, reflects the predicament that we have here. The government has accepted the responsibility and the duty of a national transportation policy and a national railway policy and we, as the opposition, are here trying to pin upon them their failure in this regard. Repeatedly this government has taken responsibility for working out such a transportation policy. We say that it has not got anywhere in doing so, and to bring this measure in at this time, a palliative six months late, is an insult to this House of Commons and to the country as a whole.

For that reason, Mr. Chairman, we are certainly reserving any commendation we are going to give this bill until we find out more in committee as to what the transportation policy of this government is going to be. I can only repeat the word I have used so often in these particular remarks; we have a bankruptcy of policy and ideas, and nowhere is it better revealed than in the measure before us. Later on in this discussion some of my colleagues will be making remarks particularly in relation to specific regional situations. We feel that this act, as one we have supported before, may merit our support again. After all, it provides something for the shippers who ship upon the railway. But the time at which it is introduced, the manner in which it is introduced, its relationship to the tremendous gaps in a general policy that this government should have are, we consider, a very deep disgrace.

(Translation):

Mr. Legare: Mr. Chairman, I have a few remarks to make about this resolution, because the matter of transport rates is, in my opinion, closely linked with the success of any undertaking.