

*Supply—Transport*

to certain substantial exceptions which resulted in a smaller amount being charged for freight rates on an over-all basis than otherwise would have been the case. In spite of those specific exceptions, however, and the fact that they did involve substantial sums, that judgment, as in the case of the subsequent judgments, failed completely to deal with a subject that must be dealt with in the interests of the national economy—that is, the unfair differential in freight rates as between different parts of this country. Subsequent judgments have proceeded to deal with this problem on the same basis. The most recent judgment, which came into effect only last week, carried forward and confirmed this situation. If it becomes effective, that judgment fastens upon the Canadian economy an intolerable discrimination between different parts of the country. In the very nature of the proceedings that have already taken place it is not possible to imagine that the board as at present constituted and equipped can hope to solve this problem within any reasonable time. Therefore we must deal with the matter on the basis that, if this board is to continue as at present constituted and equipped, a situation has been created which will have most serious consequences for our whole economy.

I emphasize this because I am going to urge in the discussion of this item that the time has come when the government must take hold of this problem, that we can no longer permit this confusion to continue or this endless bickering back and forth between the board, the Department of Transport and the courts to make it impossible for producers, for the people generally and for the railway companies to know where they stand. Because I am going to propose that this subject be tackled I should like to indicate considerations which it seems to me have been regarded as fundamental in the examination of this whole question since this country became a nation.

The economy of our country, perhaps to an extent not equalled anywhere else, depends upon the ability of the railroads to carry people and, above all, freight, in a manner that will make the work of our people economically sound in every part of Canada. One might say that in the United States they have a parallel economy and that the situation there is similar. It is not. Even in the great grain growing areas of the western United States, to the south of our grain growing areas, they have very large urban communities within easy reach which consume a substantial portion of what is produced in the way of grain and livestock products. There

is also the fact that while nature has been generous to us, more generous than sometimes we recognize, nature has also established certain barriers in this country which challenge our ability to tackle our problems and find a solution of them for the common benefit of all our people, wherever they may live.

In the consideration of this problem and this particular duty of the board of transport commissioners, it is obvious that, on the one hand, there is the necessity to provide in Canada economic facilities for the transportation of our people and the products of our farms, forests, mines, waters and factories. There is also the duty on the part of the government, as representative of all the people, to provide the railroad facilities from time to time which are required for the development of the country, and to take such steps as may be appropriate to construct new lines and extend existing lines so that our development may not be impeded by a too rigid regard for the immediate cost of that development, as long as we can see that it is going to be a sound investment for the future.

Ever since we became a nation the duty of the government to take such steps as were necessary to assure efficient transportation has been regarded by this parliament as one of its paramount obligations. It is only necessary to go back to the debates shortly after confederation, and follow them through the succeeding decades in the history of this country, to realize that this was always well to the fore in the minds of those who were building this nation. While cost has always been a very important consideration, as it always must be in a world of sensible men and women, there are a great many examples which demonstrate that other considerations than cost have had a definite bearing on the construction of rail lines, and on the service offered. If cost alone had been the consideration, rail lines never would have been built to the west through the great rock belt north of lake Superior. Traffic would have moved south of lake superior by an easier route through the United States and back into Canada. There were different reasons why Canadians of those days, as represented by their members of parliament, decided that there would be a Canadian route. It was not national pride alone, although doubtless that had some bearing on the decision. It was the fact that one of the hallmarks of nationhood is that a country shall have, within its own borders, the means of moving its people and its goods.