

*Transportation*

No one blames anybody for this, but the fact remains that all over this country where people are knowledgeable on matters coming before the Board of Transport Commissioners these people have always felt—and this suspicion is not only a suspicion, it is almost an article of faith—that the board has been at the jump and call of the railways.

This letter which was sent, just because the C.P.R. made a move, was, I think, a direct slap in the face to the minister. If I were in his position there would be a serious reprimand given to the Board of Transport Commissioners for having made such a fool of the minister. I have to say these things, Mr. Chairman, because, if we are going to proceed with this bill with confidence, we have to realize we are drafting legislation not only for railway transportation but for all forms of transport, affecting tremendous segments of the whole national economy.

We have tried to be helpful, and the minister can continue to get our help. In the standing committee some 48 amendments have been made, mostly from the government side because it has the staff to draft the amendments. I think the minister has said there will be five more from the government, and I believe there are 14 more coming from our group alone. This means that there is a serious effort on the part of the parties in opposition to be constructively helpful. All we are asking in exchange is that we have no more of this type of hanky-panky that brings all these suspicions of 60 years up to the surface again. We know we are handing over our very future to this national transportation commission. I would like to believe that it will be embarking on its history with some feeling of good will.

In my remarks on second reading, I tried to put forward a general attitude which I would like to emphasize as a preliminary to my main remarks this afternoon. I emphasized that the pessimism of the last 40 years regarding railway operations in Canada should end. I pointed out that traditionally railway management itself, traditionally the economists of this country, and traditionally government officials have felt that railways were a declining part of the whole transportation picture. There was a great deal of evidence to bear out this pessimism, but many of us are concerned about this bill because it reflects that pessimistic attitude instead of taking up the attitude that the facts now warrant.

The facts now warrant the assumption on the part of those drafting the legislation, and

[Mr. Hamilton.]

that is the members here, that there is going to be tremendous growth and expansion in all our transportation agencies, not least of which are our railways. Without repeating in great detail some of the evidence, let me remind the committee of some of the salient facts.

There is a tremendous difference in the economy of railways when they are hauling 400 million bushels of grain a year as compared with when they are hauling 800 million bushels a year, because the railways are largely a fixed cost industry. If you can double the amount of volume you tremendously increase the per unit profit in the carrying of those goods. With the tremendous flood of money that has gone into the prairies over this last five years there has been a tremendous increase in the back-haul of machinery, fertilizer and all the other things that make a back-haul profitable to the railways.

I outlined on second reading the tremendous development of minerals in Canada, the tremendous demand for these minerals all over the world, and the tremendous bulk hauling of them available to the railways which is very profitable. I outlined the tremendous need in the world for our paper and lumber, a need which will increase hugely over the next few years. Therefore, the railways should be thinking in terms not of consolidating, not of holding the line, but of spending capital to provide the services to meet this tremendous challenge.

The MacPherson Royal Commission report was based on the assumption that the railway era was over. They were trying to work out some system whereby the railways could live within the amount of traffic that would fall to the railway form of transport. All that pessimism of the MacPherson Royal Commission report should now be put completely out of the minds not only of railway managements but of the economists of the country and, particularly, of government officials as well as the new transportation commission.

We in the house recognize, as ordinary laymen, that sometimes we can speak with more common sense and more vision of the future than the people who only look to the past. I say that this bill, if it is going to be a good bill, must have in it this concept that we know we are in for a period of growth and expansion that won't stop in two or three years. This growth is not dependent on any one single product, but will take place across the whole economy.