

*Transportation*

that the greater the volume of a given commodity that is moved, the greater will be the reduction in the rate, regardless of the mode of transport.

This is why it is necessary to ensure that this clause does not in any way outline what shall be the criteria used by the board of inquiry to be set up by the commission. Will it cover all the costs or will it just set down whether or not the Crowsnest pass rates are compensatory?

● (8:10 p.m.)

The old bill, No. C-120, which the committee studied two years ago and which was not reintroduced under a different number at this session, purported to provide that the Crowsnest pass rates should be compensatory and that the government would allow the railway an extra \$9 on the rates—the minister will correct me if I am wrong—to cover the fixed aspects of the cost of moving grain. This bill leads me to believe that 100 per cent of the cost will be provided, and before the bill passes we shall want a better understanding in this regard.

We firmly believe that, if anything, the rate is outdated and in excess of what it should be. We should like to know what costing was used and on what the criteria are based. We firmly believe that in view of the volume of their business with the grain trade the railways cannot be losing money at the present time.

This commission will do nothing but bring about a slowdown in efficiency in the movement of grain on the part of the railways. It will bring about a slowdown of the modernization process which is just beginning to take place in the matter of railway cars and equipment. A study of the C.N.R. freight catalogue indicates that during the last year many means were tried to speed up and effect economies in the handling of grain.

For example, there was the introduction of what is called the prairie schooner, which is a new type of railway car tried last year for the first time, I believe with some degree of success. There was also introduced the covered hopper car which brought about what is commonly known in the movement of grain as continuous flow loading and unloading of grain. These plant modernizations are a key factor in the movement of this commodity.

One fault which can be found with fixing a set rate on any given commodity is that the commodity tends to become isolated from the movement of other commodities. It also limits initiative on the part of the railways in the

modernization or speeding up of the movement of that commodity. To a certain degree this is exactly what has happened with these Crowsnest pass rates. As a result of the demand for Canadian wheat in our export markets the railways have realized that they are 25 or 50 years behind the times in their port facilities and railway plant generally.

This proposed inquiry will not be looking into the provision of modern plant or port facilities, or what I might term modern railway tracks across the prairies. Some modernization will be effected as a result of this bill in permitting applications to be heard for the abandonment of branch lines which are uneconomical and out of date. But in my opinion this proposed inquiry comes at the wrong time and will be using outdated cost figures.

The trouble with the MacPherson commission is that it was initiated in 1959 and its report came out in 1961 and 1962. In those days the railways were losing money and it was felt that some scheme would have to be devised in order to put the railways in a better financial state. That is what has happened, and today we find the railways flourishing in this new atmosphere of total transportation. This inquiry will be looking into revenues and costs which are six years old, so certainly no benefit will accrue to the western farmers.

In closing, Mr. Chairman, this clause in the bill is the thin end of the wedge in the matter of the Crowsnest pass rates. Certainly the parliamentary secretary has shown in his questioning of the officials of the C.N.R. and the C.P.R. that he has no respect or love for the Crowsnest pass rates, and believes they should be increased. In effect, eventually this is what will happen under the bill; and I am sure that most farmers across the prairies will view it with a great deal of scepticism.

Clause stands.

On clause 42.

**Mr. Pickersgill:** Mr. Chairman, I think it was understood that we would now revert to the clause I stood so that I could give the committee the results of my considerations, and I would be glad to do this now.

First of all, on reflection I do not feel I should press the question as to whether or not this amendment is in order. This does not mean that I do not have a little doubt about it, but I do not think it is worth arguing the point. I am quite prepared to have the amendment voted on, if we have to vote on it, at the appropriate time.