

what they call the reconditioning of rolling stock has been charged to maintenance. I have been told that at the end of the first war the railway reconditioned some of their older engines, which were rebuilt so they were good for twenty-five years, or until the end of the second war. I have been told also that since the end of the second war locomotives and other equipment have been rebuilt by the C.P.R. and that the cost of this work has been charged to current maintenance costs. In my opinion, if the lifetime of that equipment has been extended for fifteen or twenty years that cost should have been charged to capital account and depreciated over the new lifetime of the equipment.

Mr. Stick: How much of the \$150 million would be represented by that cost?

Mr. Coldwell: That is something the board should find out, and that is my complaint—that the board has neither the staff nor, apparently, the will to go into these factors, though counsel for the provinces did keep this point before the board.

So, Mr. Chairman, these rates and these increases represent an intolerable burden. I repeat that the railways are essential to the welfare and economy of this country; but the cost of carrying those railways should not be placed upon any particular section of our population. I believe the cost of carrying the railways could be drastically reduced by a proper integration of transportation facilities, by a modernization of our railways and all their equipment, and by a modernization of the entire outlook on railway transportation. After all, since the railways of this country were built by the Canadian people as a means of binding together the different parts of this country, our position is different from that of some other countries in regard to their railway services. To us railways are vital. They are vital to the continuance of our economic health and our national life.

So we must tackle this problem here in this parliament. We cannot continue as we have been going. Should there be any considerable fall in commodity prices, particularly in the price of wheat, the commodity many of us on the prairie provinces are particularly interested in, the result could be disastrous. We all remember that if the rates had been increased during the thirties, and particularly if we had not had the Crowsnest pass agreement, the freight rates on the grain that was produced would have exceeded and indeed in some instances did exceed the value of the grain. I believe that would have been altogether true in 1932. While I am not suggesting that there may be a drastic fall at the present time, I am suggesting that even if grain and flour freight rates

are maintained substantially as they are, with the new increased rates, the increased cost of production, the increase in the rates on supplies, machinery all the rest of it, this will be a very serious imposition upon the producers in the prairie provinces.

One could raise a number of other points in connection with this matter, but I do not want to impose much further upon the time of the committee. I believe we have an opportunity of expressing an opinion by supporting the amendment introduced by the leader of the opposition. It is an old parliamentary custom in Britain. You do not want to wipe out the board of transport commissioners, but you do want to express your dissatisfaction with the board, its method of procedure, and its judgments. Had I been moving the amendment I would have done it rather differently. As a matter of fact I had it in mind; I would have moved not to reduce the amount to \$1 but to reduce it by \$1, which has the same effect but perhaps without the same implications. In spite of the implications, however, I believe we should support the amendment, because we want to express ourselves, and this is the only way it can be done. I had hoped to be able to raise this question earlier on going into supply, and I had an amendment already drawn for presentation at that time. However, owing to the fact that the Department of Justice considered that this should not be done while the board was actually sitting on the matter, and there having been no opportunity to do so since, we shall support the amendment of the leader of the opposition, in order that we may express the dissatisfaction we feel with the board of transport commissioners as to its competence, its lack of staff, its failure to go into various factors in connection with the Canadian Pacific Railway, and so on.

Before I sit down, I want to say that this house should also take into consideration, when the time comes, the suggestion made by the president of the Canadian National Railways that that railway be placed in a more competitive position by removing from it the tremendous overburden of capital which was inflicted upon it when this country took over a number of bankrupt railways after the first war.

Mr. McIvor: Mr. Chairman, I should like to ask the hon. member a question. It relates to the first part of his address. Does he consider it reasonable and just that the Canadian railways should get less in freight rates, or less in cash, for a longer haul than the railways of Britain receive for a short haul?

Mr. Coldwell: I said in the course of my remarks that conditions in the two countries