

*Transportation*

**Mr. Olson:**—during this past year. If this flour had not been moved and the railways had adjusted the rate, I suggest one of two things might have happened. The western flour mills would either have been prevented from shipping by rail all the way from the mills to these ports in wintertime, the seaway being closed, or another route would have had to be found through the ports on the west coast. In some cases this is not the most economic thing to do. It would also have resulted in reduced activity at ports in the maritimes which I do not think is desirable. In other cases it might have prevented mills in western Canada taking orders to ship to specific points which could be served more advantageously by the same route as used in the past. This is at least of advantage to some regions of the country and I am very pleased that the minister has moved the amendment.

Amendment agreed to.

**The Deputy Chairman:** Shall clause 50 as amended carry?

● (6:10 p.m.)

**Mr. Churchill:** No, Mr. Chairman. I was unavoidably absent from the house last Thursday and Friday because of the funeral of the former Lieutenant-Governor of Manitoba. I do not want to enter into a discussion which will involve repetition or debate any subject already dealt with, and you will have to excuse me if I err on that side and advise me if this is the case.

Under clause 50 sections 328 and 329 are being altered. The minister has already made his statement about the Crowsnest Pass rates. I have not had a chance to review all that was said during last week's debate. Though I have advised the minister to listen and not talk, obviously we shall get him on his feet again, which is never difficult. With respect to new section 329, why has there been inserted in that section on page 41 provision for a review after a three-year period of the cost of moving grain and grain products? This will affect the Crowsnest rate and open it for discussion. What is the thinking behind this? Why is a review considered necessary? Why was the three-year period decided on, after considering that particular problem?

**Mr. Pickersgill:** The hon. gentleman was a member of the government which had a bill all but ready to be introduced based on the recommendations of the MacPherson Commission, on which bill, as I stated, I based a good deal of Bill C-120 introduced in 1964,

and I think he will remember that the majority of the commissioners found that the railways were carrying grain under the Crowsnest Pass rates at a loss. They recommended that payments be made out of the treasury to the railways in respect of that loss. That loss was to be verified each year and the payments adjusted accordingly.

Considering that now, at the introduction of this bill, so many years have passed, that we have had so many good crops and that so much grain has been moved, I did not feel that the commission's recommendation would commend itself to parliament. We could not accept the assertion of the MacPherson Commission any longer. The railways maintain that in some circumstances in some years there is some loss in carrying grain.

We as the government were not prepared to make such an assumption. As we had to provide the transitional subsidies anyway for a few years it seemed that the best thing to do was to have the whole matter canvassed over three years which should be a good period to ascertain the facts. If in the opinion of the commission, not of the railways but of the commission, there was a loss, then the governor in council could in his wisdom recommend to parliament that the loss be made up in accordance with the recommendations of the MacPherson Commission. We were not prepared to assume there would be loss.

I think the hon. gentleman understands that this bill specifically reiterates the statutory guarantee of the Crowsnest rates. It goes even further than that. At the request of various witnesses before the special committee, including the government of Manitoba, we inserted subsection 3 of proposed new section 328 of the Railway Act on page 41, which would make the rates to Churchill statutory. Up to now they have been conventional. The rates to Churchill have been the same as the rates to Fort William or Armstrong. It was felt it would be a greater safeguard to the port of Churchill to have these rates made statutory. I thought that was a reasonable representation and I was very glad to make such recommendation to the standing committee, which accepted it. It appears in that fashion in the bill. All the other rates are in the same statutory form they have assumed in previous legislation right up to the most recent date.

**Mr. Baldwin:** Mr. Chairman, I wish to refer the minister to what I said previously with respect to the Crowsnest Pass rates and the