

*Branch Railway Lines*

certain moneys out of the federal treasury in connection with these lines because of deficits that may be incurred, it is time for consideration to be given to whether or not the federal government could make better use of that money by assisting the municipalities, through the provincial governments, in upgrading highway transport. I know that the minister of highways in the province of Alberta has, over the years, been urging the federal government to assume some responsibility for a grid system of highways throughout Canada. This has been done in the case of the trans-Canada highway. So far as western Canada is concerned, it is the only one. We know that recently the federal government changed positions with regard to the proposed railway in Gaspé and allocated at least a portion of that money for a highway in that area.

I believe that the time has come when the responsibility for the trans-Canada highway and for many other highway development projects should be transferred from the Department of Public Works to the Minister of Transport. I say that because as the importance of highways increases in Canada, and that is happening every year, there should be an assumption of responsibility for them by the federal government.

I am not trying to take anything away from the Department of Public Works which has its responsibilities for the trans-Canada highway and, latterly, for the Alaska highway, but there is a principle that ought to be accepted by the federal government, the principle of providing a network of good highways for the movement of people and goods to market. It is only logical that this responsibility ought to rest with the Department of Transport.

Substantial subsidies will be paid out of the federal treasury to maintain some uneconomic railway branch lines, knowing full well that these lines will tend to be of diminishing importance. In that case possibly the money would be better spent if the federal government gave assistance to improving the highway links serving communities where branch lines are uneconomical.

The minister said the government had no intention of interfering with the rates established under the Crownsnest pass agreement. In this connection one point was mentioned briefly by the hon. member for Qu'Appelle, that in the minority report of the royal commission Mr. Gobeil of Quebec disagreed completely with the railways' contention that they had any losses as a result of hauling

grain. He agreed that on some of the low density branch lines losses could be incurred on the movement of grain, and we in this party think additional proof would have to be provided, through a proper accounting method, to show whether or not there were losses. We recognize costs have gone up terrifically for all the services the railways must purchase, but it would be fair to say there has been a corresponding increase in the efficiency of moving grain. By that I mean the loads they are hauling out to the lakehead and the Pacific coast are now several times the size they were when these rates were set, and in many cases they are being hauled out with less labour than in those days.

We agree with the members who have already spoken, that it would be better to wait until we have the bill in our hands before making further contribution to this debate. The resolution contains one phrase dealing with the fixing of freight rates "under and consistent with a national transportation policy", which certainly does not spell out in detail what the government intends to do with the very complicated rail tariff structure.

As the minister well knows, the province of Alberta has been much concerned about the matter of freight rates and, as the hon. member for Port Arthur pointed out, has kept one of the most brilliant lawyers in Canada here in Ottawa for a number of years, to keep watch on the federal government whenever it attempts to play around with freight rates. Every time there has been an upward adjustment in rail tariffs we in Alberta usually get the lion's share of the increase. We happen to be near the continental divide which appears to be a kind of tariff divide for the railways, and we get the worst coming from both ends. Many commodities can be transported by rail from central Canada to Vancouver cheaper than they can be shipped to points in Alberta, despite the fact that Vancouver is 1,000 to 1,200 miles further away. Therefore when the minister seeks to amend the freight rates structure this time, we hope it will not be a repetition of what has happened so many times in the past.

There have been instances of 10, 12 and 17 per cent increases in freight rates across the board, and if this principle is applied in those areas where there is a virtual monopoly in transportation then there is need for some government regulation.

No doubt we shall have a great deal more to say about some of the provisions in the