

*Branch Railway Lines*

with their own resources, the resources that are available to them, on the same basis as other forms of transport. I thought it worth while making this point because there is a great deal of misunderstanding and apprehension occasioned by that misunderstanding about this point.

I may add, moreover, that, having regard to the financial situation of the treasury and to what I believe myself to be good sound principle, it is the desire of the government, wherever this is possible, wherever it is reasonable, wherever there are not important national considerations calling for different action, that users, and not the taxpayers, should pay for the services that are provided in the field of transportation. There are of course exceptions that will have to be made, as they have always had to be made to this principle, with respect to the railways, and which sometimes have been made with respect to other forms of transport.

We must remember that in the Canadian context, perhaps more than in that of most countries, good transport and efficient transport is essential to keep the country a country, to keep it united, and that the national interest must at all times be paramount. We consider, as every government has considered—at least for a generation—that one of the national interests of this country is to maintain the tremendous grain export business that has been one of the main sources of income of the Canadian people in the whole of the twentieth century. For that reason there is no thought and no intention of disturbing the Crowsnest pass rates, and those other rates which are an extension of the Crowsnest pass rates on grain.

It is also very well known that, notwithstanding the tremendous changes that have taken place in railway transportation on the prairies, this applies more to the prairies than to any other part of Canada, although there are other areas where it has some application—where railway branch lines, in many cases, are getting much less traffic than will pay for the cost of operation of those lines—that there are many of those lines which are essential now and will be essential for a considerable number of years for transportation, and particularly for the transport of grain. And as hon. members know I have taken the view, which was taken also by my predecessor, and which has been taken by this government and which I am sure would have been taken by the previous government, that in this matter the public interest must be placed ahead of balance sheets.

20220—506½

So far as these branch lines are concerned, there are undoubtedly some of them where the traffic is so light that their essentiality has really disappeared and the branch lines themselves could probably be dispensed with fairly soon. There are others which are going to be needed for a great many years ahead, so far ahead as it is reasonably safe to legislate in a matter of this kind, and therefore it is proposed to recommend that a branch line rationalization authority be established and that a fund be given to this authority to keep these lines in being, without making the losses on them a charge on the general revenues of the railways, but having them paid for directly as a national service, so that the railways will not be able to blame any failure to earn a living by themselves on these branch lines.

We have all of us witnessed, no matter what part of Canada we have come from, the gradual shrinking—though there has been perhaps under the red, white and blue a revival of late, but it is only a small revival compared with the shrinking that has taken place—of passenger traffic and passenger services on the railways.

It is proposed to accept the recommendation of the royal commission that payments be made to the railways to maintain certain of these passenger services on a sliding or diminishing scale in order to give the railways an opportunity to test which service can really be made to justify itself and which cannot, without sudden shocks in the transportation field.

I think these are the principal features of the legislation that is proposed. As I said at the outset, Mr. Chairman, I would hope that we would not feel it necessary to try to debate the bill before we see it. If we could confine ourselves to generalities and possibly to a few questions about any points that I may have left obscure at this resolution stage, we could have a much more intelligent and informed debate when we have the bill in front of us and know precisely what it is the government is proposing.

With respect to what the government will be proposing, I may say that of course we are taking our responsibility as a government for the proposals in general; but it is the intention of the government to have this bill sent after second reading, provided the house sees fit to give it second reading, to the railway committee, because it is of such vast importance to everyone in the country. We think it would be quite unreasonable to take any other course. We would expect that