

the CTC to abandon branch lines? It seems to me that it is almost a genuflecting impulse on the part of the railways to think first for themselves and of themselves.

I ask the Government whether there is any guarantee that the \$651 million, which will be given *carte blanche* to the railways, will improve the rail system in British Columbia for all its primary producers. What guarantee is there, regardless of the propaganda floating around British Columbia, that the railways will in fact improve the system for the benefit of producers? It so happens that the Port of Vancouver is interested in an improved system because about half the tonnage flowing through that port is directly related to grain production in the Prairies. If production in the Prairies breaks down, jobs are lost in Vancouver. If production in the Prairies breaks down, it does not matter how good are the port facilities in Vancouver, they will be underutilized. It is very important for people in Vancouver, for people in British Columbia and for those interested in port facilities and jobs in that area to know that railways will not be able to dodge their responsibility in the expenditure of the money for the benefit of producers.

Hon. Members have repeatedly risen to speak on this point and to make a very simple request on behalf of producers, that the Government first think of the benefits to producers, not to railways. They have asked the Government to make sure that the \$651 million will not be spent on some other part of the railway rather than for the benefit of grain producers in the prairie basin. I want to see the other parts of transportation in British Columbia improved also. I want to ensure that coal trains have good transportation facilities, that lumber can be delivered to port and that all other aspects of the production system in British Columbia are served well by the railways, but I do not want prairie farmers to pay for it. If the railway system is functioning as it ought to function, if it serves primary producers in British Columbia as it ought to serve them, it will pay for itself. The catch-up work which has to be done to improve the lines in the Prairies should not be neglected further in order to build up the railways somewhere else. I am not saying that the railways will do that. I am saying that the legislation does not guarantee that they will not. If the railways are thinking first of themselves and not of producers, there is no guarantee that they will not do it.

I rise in support of the amendment of the Hon. Member for Vegreville. We ask the Government to provide a simple guarantee that it requires the railways to spend that \$651 million on the rail line system so that producers on the Prairies will be served.

A simple piece of information came out of the Wood Gundy report, that as a result of the subsidies flowing to the railway system the value of stock in the railways will double. I do not begrudge shareholders that profit as long as it is earned profit. Therefore, I urge the Government to support the amendment that the railways be required to use that money to upgrade the system for producers in the prairie basin.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to speak on Motion No. 33, the "shall require" amendment which was placed before the House by the Hon. Member

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for Vegreville (Mr. Mazankowski). It is very important to have government support for this motion. We know that the efficiency of the railways is not something which is automatic. We cannot expect them to co-operate automatically.

Turning to Clause 48 and Clause 49 of the Bill, they allow the Administrator to make rate arrangements with the railways for interchange and reciprocal agreements for joint use, and they give the Administrator the right to buy co-operation between the railways. If we come up with a rate which is advantageous to the railways, they will co-operate, but if we do not come up with advantageous rates, they are not likely to co-operate as they have not in the past. In the sixties and seventies there were a lot of opportunities for interchange. As the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) indicated, they jealously guarded the right to move their own cars. In the days when they claimed they were losing a lot of money, the CPR would not let CNR carry any of its cars. It belies their statement that they were losing money when they would not let the other railroad carry their cars. It tends to undermine the assertion that the railways lose money every time they move a cargo of grain. If that were the case, you would expect them to push their cars off to another railroad. There was no way they were going to allow the other railways to carry their cars.

● (1740)

If they would not co-operate when they were losing money and carrying their own cars increased their losses, how can we expect them to co-operate when it becomes very profitable to move those cars? This amendment would give the Administrator the right to require that there be co-operation between the railways. In order to improve the efficiency of the grain transportation handling system, we must have in place an interchange system between CNR and CPR which works when we need it to work, not when the railway thinks it would be advantageous to them.

The problems are bad enough when moving grain under ordinary circumstances. If we have to fight another major group of participants, the railways, it will be a very difficult situation. It is very logical to put in place a "shall require" amendment which would give the Administrator, much as we would like him to be directly under the Wheat Board, the right to require the railways to co-operate with each other.

Almost every area on the branch line has a very direct route from the shipping point to the port. It is logical that, as a utility that route be the best, shortest and cheapest possible route. We should be able to depend upon the railways to give the kind of efficiency that we need and that it happen automatically. We know what the efficiency of the railways can be. I want to quote Justice Emmett Hall who spoke on the efficiency of railways. He said, and I quote:

We heard a lot about efficiency, and the whole idea of the railways about efficiency was to get rid of the branch lines. That would have been very efficient from their standpoint. But on this question of efficiency, I am told by senior railway people, there is a railway philosophy that once the line gets hold of a commodity for transport, it will hang on to that commodity to the delivery points, come hell or high water. That works out this way and this is what we