

Supply—Transport

reported, no further increases would be allowed. The royal commission has just completed the hearing of evidence and argument and has yet to make its report. It seems to me that the government has a responsibility to protect the people of Canada from the discrimination practised recently and in the past. In spite of the fact that the Minister of Transport indicated that an investigation is being made by the board of transport commissioners into the rate structure of the railways, having in mind the return asked for by the hon. member for Victoria-Carleton, and the multitudinous duties placed upon the board of transport commissioners with its inadequate staff, in my view the board cannot do the job expected of it.

The rate structure today is a crazy quilt affair, so much so that some large companies actually maintain special departments which are continuously engaged in going over the rate charges and pointing out errors or charges under the wrong rate. I am told that these companies are collecting large sums of money from the railways, because even the people who charge the rates cannot follow the structure that has been handed to them and upon which rates must be based. These are the factors that make some of us most anxious about the present rate structure and the recent horizontal increases.

I want to go a step further and say to the Minister of Transport that, while a discussion of this kind is necessary, and while the criticisms that have been made this morning are sound, even if we have a more competent set-up of the board of transportation commissioners, and an adequate staff we shall not have got to the root of the railway problem. I think the house will have to consider how the transportation system of Canada can be modernized, how it can serve the people of Canada better, and how it can be integrated in order that it may accomplish the purposes for which it must be designed. This involves a great problem. In eastern Canada the railways are in competition with buses, trucks and water transportation, and that is the reason for the low rates. We have no water carriage on the prairies. We have very much less motor traffic, and therefore the prairie governments are not able to build the kind of roads which encourage truck transportation. The result is there is not the same competition in the prairies as there is in other parts of Canada.

It seems to me that here is the point at issue. While such competition has been valuable in a way to the people living in Ontario and Quebec, trucks pick up the profitable traffic and leave to the railways

the heavy, bulky, unprofitable traffic which must be carried, as Mr. Fairweather says, on a low freight rate. There is the problem in a nutshell. How we are going to deal with it is a matter that the house will have to consider. I have views about it that I have come to hold because of thought I have given to the matter. Necessarily my views are not the only views that may be held. The solution I have in mind may not be the only one that can be found. Nevertheless I say to the government, to the official opposition and to all other hon. members that the time has come when we must tackle this problem in a fundamental way. Otherwise either we are to have increases in rates that will cripple the economy of our country, or parliament will have to provide even more substantial subsidies for the railways than we have accorded to them in the past.

It is said sometimes that operating and maintenance costs have increased, and they have. It is said that labour costs have gone up, and they have; but so has every other factor in relation to the cost of living in this country. Increases in living costs have particularly affected the lower paid railway workers, of whom there are many thousands. I know it is fashionable to point to the earnings of the more highly paid railroad men, but as a matter of fact there are many thousands of low paid railway workers who in the past few years have found it most difficult to live.

In examining the evidence placed before the board in the recent application for increases, one is struck by several considerations. In the first place, why should not the revenues of the subsidiary bodies, the subsidiary economic activities of the Canadian Pacific Railway, like Consolidated Smelters, be considered as part of the revenue from its railway operations, when those assets arise out of those operations or out of public concessions? If they were included, the picture would not be satisfactory, but it would be much better than appears on the surface. Then if the board had a sufficient and a competent staff, even under this set-up it would have gone more completely into the operating and maintenance costs, particularly the latter, which were placed before the board by the Canadian Pacific Railway. I do not have the figures before me at the moment, but in the evidence it was stated that while the maintenance costs of the Canadian Pacific in 1939 were some \$49 million, those costs had risen last year to \$150 million. What is the reason for that vast increase? I have been reliably informed, and I think this could be gathered from some of the evidence given before the board, that