

*Committee on Railways and Shipping*

namely, that a totally new concept of transportation in Newfoundland, something radically different from the present system, is necessary. This is something which Canadian National Railways must take into consideration in the future because it involves the question of whether they will continue to spend further moneys, and they have already spent a great deal, in developing a system which in my opinion can never do the task that it is called upon to perform.

**Mr. T. S. Barnett (Comox-Alberni):** Mr. Speaker, I listened with a good deal of interest to the remarks of the hon. member for Burin-Burgeo (Mr. Carter) respecting the basic transportation problems of the province of Newfoundland. While he perhaps was not able to give us a complete picture, the fact that the subject has been introduced has prompted me to rise on a specific point to which I hope the committee will give consideration when it is set up. The problem to which I refer is that arising at the present time from the dieselization program of Canadian National Railways in that province. The change in transportation activities is, so I am informed, causing a good deal of concern to the rank and file of the trade union movement in that province and I believe the suggestion they have put forward that consideration should be given specifically at this time to section 39 (1) of the terms of confederation, setting forth certain obligations to be undertaken in respect of employees in that province should receive the attention and consideration of the committee that it is proposed to set up by this resolution. I hope the committee will keep that matter in mind and that serious consideration will be given to that problem by the committee when it reviews the affairs of Canadian National Railways.

**Mr. George H. Hees (Broadview):** Mr. Speaker, the thing I have never been able to understand is why the government insists on maintaining this T.C.A. monopoly after about 15 years of operation because—

**An hon. Member:** They are doing a good job.

**Mr. Hees:**—any businessman knows that in any kind of business where competition is allowed to have full sway, both the public and the competing firms benefit. Everybody wins. The public benefit because they get cheaper prices and better service.

**Mr. Hosking:** Are you talking about hydro?

**Mr. Hees:** The competing firms benefit because they are forced to remain efficient and to keep on improving their product and their

[Mr. Carter.]

service. Where monopoly is allowed to hold sway, as it has been for 15 years in the case of T.C.A.—

**Mr. Hosking:** What is the difference between it and hydro?

**Mr. Hees:**—then the organization becomes inefficient. Any businessman knows that, and I challenge any member of the house to refute that statement. If monopoly is allowed to be maintained, costs rise and service deteriorates.

**An hon. Member:** Goodbye hydro.

**Mr. Hees:** This government, of course, favours monopoly, and the two outstanding examples are T.C.A. and C.B.C. television. If competition were allowed to prevail in those two industries—

**Some hon. Members:** Oh, oh.

**Mr. Speaker:** Order. I must insist that the hon. member is not to be interrupted while he makes his speech.

**Mr. Hees:** If competition is allowed to prevail in these industries, and they are industries, then we will see better and cheaper passenger and freight service, and I believe we would also have a better television service. T.C.A. has a very excellent operating record, but I believe that those who run the operating end would welcome competition. I know they would because they would like to see competition force the administrative end to keep pace with the standards that the administrative services of other competing air lines are forced to maintain.

There is no reason at all why the application made some time ago by Canadian Pacific Air Lines to operate a freight service between Vancouver and Montreal should not have been allowed. After all, if T.C.A. is providing a first class and reasonable freight service they have nothing to worry about. T.C.A. has nothing at all to worry about unless C.P.A. can produce a cheaper and better freight service from Vancouver to Montreal. If they can produce a cheaper and better freight service then, of course, it will be up to T.C.A. to improve their service in order to keep pace. That is the benefit of competition.

There is also no reason in the world why Pacific Western Air Lines' application to operate an air bus service between Vancouver and Winnipeg should not be granted. T.C.A. would not have anything to worry about unless Pacific Western Air Lines could provide a better and cheaper air transport service between these two points.

**Mr. Speaker:** Order. Are these matters not governed by the air transport board, and is