

*Branch Railway Lines*

I close my remarks by saying that we are happy that this bill is being referred to a committee. We will study it without prejudice, trying to favour the country's economic development in one of its important areas. On the other hand, we will be very firm on one point, namely that the government must not help some areas of the transportation industry to the disadvantage of others. In that connection, we will stick to ideas formulated in this house on many occasions.

[Text]

**Mr. Pickersgill:** Mr. Chairman, I do not think it would be profitable or in the spirit of the debate so far if I undertook to make any lengthy reply to the observations which have been made by hon. gentlemen opposite this evening. I intend to deal with all the points which have been raised on second reading of the bill. There are, however, one or two points that perhaps I did not clarify sufficiently, and it would leave a wrong impression if I did not say a word about them.

The hon. member for Lapointe, who has been missed while he has been visiting other parliaments, said something at the beginning of his remarks which I must say has often occurred to me, and that is that I wonder whether this vestigial remnant of medieval times, known as a resolution before a money bill is any longer really necessary. In Australia it has been abolished completely, and they seem to get on pretty well without it. I am rather hopeful that this is one of the things that will be looked at by the committee on procedure, but that is hardly within the scope of our debate this evening.

The hon. gentleman also inquired whether item No. 51 on the order paper could be taken immediately after this order, advancing it, so that the bill would be made available. Normally I would hesitate to say anything, especially in view of the fact the house leader has just come in and is casting a baleful eye in my direction, but I think if the committee would agree to such a proposition, and put this through without any debate, that would be very sensible.

Perhaps I should point out that this is the annual resolution which, by statute, has to be put forward each year by the minister of finance in respect of the ordinary annual financing of the C.N.R. There is nothing new, revolutionary or unusual about it at all. However, if the house were disposed to get the bill before us right after this resolution, and before embarking on the next item of business, I am sure the house leader would not object. I will not say more than that.

Perhaps I should say a word in reply to one or two of the remarks made by the hon. and conservative member for Port Arthur, who seemed to be suspicious of any change or anything new during the whole course of his speech. He objected very much to my leaving the word "rational" and the word "plan" out of the resolution, as they appeared in the resolution that was placed before the house during the last session of parliament. It did seem to me that "rationalization", if it means anything, means that this should be done rationally, and that it is a little redundant to repeat it. I did say at the outset of my observations this afternoon that what was being proposed was something that was, and while I did hesitate a little about it I did use the word, "revolutionary". I would have thought that would have been welcomed by the hon. member, but apparently it was not.

The hon. member did point out a real deficiency in my observations this afternoon, and I should like at this time to correct this very serious deficiency. I should have said something about the problem to which he referred when he mentioned particularly the head of the lakes, but which has application in two respects. It has application to certain areas of the country and application to certain commodities. The railways still in certain areas have a monopoly or a quasi monopoly. There is no thought whatever, in the legislation that is going to be proposed, of ending the regulation of rates in those cases where the railway has a monopoly or quasi monopoly and where, in other words, the shipper has no real alternative. Provision is being made for the maintenance of regulated rates, as should be the case. There must be effective competition, and the hon. gentleman and I are both pseudoeconomists and realize that perfect competition does not exist in this field or in many others. It is only where there is effective competition that, in the view of the government, regulation is not necessary. In those areas, whether it is in respect of certain commodities or certain regions where the railway is the only practical mode of carriage, regulated rates will be maintained. I really think I did not say anything about them, and that was a very serious omission from my observation.

I must say there was another omission, although I do not think it was as serious, but which I wish to remedy immediately. In the main this legislation will not involve a new act but will be an amendment to the Railway Act. There is no danger of any conflict with the Railway Act because it will replace some-