

*Branch Railway Lines*

a good Tory, therefore his recommendations should be suitable to the Canadian west. I think that is a bit of a misstatement. I am not going to credit or discredit the contribution of Mr. MacPherson to the royal commission, but I have the feeling that there was a couple of younger men on the commission who got the bit between their teeth. I wonder why we bothered to go before that commission. I wonder why there were such vigorous presentations when I note the fact that the recommendations seem to ignore completely what was one of the most common features of representation. Region after region in this country worried about their future in the face of wide open freight rates, or freight rates which were uneconomic and would not allow them to get their products to the market. It seems to me that western Canada has the most to lose, unless this legislation is a lot more attractive than appears at the present time.

In our part of the country we too would seem to have something to lose, unless we can get some assurances when the railway officials come before the committee that the ending of the bridge subsidy will not mean immediately an upsweep in freight rates. Quite frankly—and the minister should know this—we have not the advantages of competition in our area. One really cannot conceive of trucks hauling mineral concentrates or bringing in supplies which keep my area going over the distances which are travelled. It is for that reason that to be left to the possible mercy of the competitive free enterprise instincts of the noble railroads of Canada, when it comes to setting freight rates, that we are so worked up about this wonderful prospect.

There is another irony in this whole question of competing modes, and that is the substance of the truckers' objections to the recommendations of the commission. One of their criticisms relates to very substantial and further subsidies for the railways over another interim period in connection with both abandonment and passenger traffic. I can leave that to one side for a moment, but the fact remains that when you talk of competing modes you have at the same time these two huge organizations both expanding in the trucking business. I am wondering whether the commissioners and the government which follows their recommendations, have any idea of the trends today in the transportation business. We are not returning to the day of perfect competition when small men spring up all over the place in the trucking

business and other transportation modes, the old Lincolnian ideal of the small man making his way. We are at the stage of consolidation of trucking operations, where even the biggest private operators are waiting, hoping for a bid from the C.N.R. or the C.P.R. You do not get into long haul trucking without a considerable amount of capital. At the present time the major railway companies have franchises all across the country and are in a position to expand and to exploit them.

Members who shared the committee experience with me when Mr. Gordon was before us not long ago will remember that he came to the committee and said the C.N.R. had a huge deficit. But Mr. Gordon was proud—I do not say justifiably—of the fact that the trucking operations of the C.N.R. were going ahead and were making money. How are you going to get the competing modes of transportation really chewing down the costs when, in effect, you have the development of two large universal carriers as an integrated operation? Mr. Gordon told us five years ago when the C.N.R. got into trucking that they would keep these lines separate. He did not go through with that kind of deceitfulness any longer at the last committee hearing. He told us that this was for legal reasons and to deal with provincial boards. In effect we have consolidated the whole operation. There is no reason why I select the C.N.R. instead of the C.P.R.; let us realize that we have here two giants in the transportation field. These companies are not only in railways but are very much in trucking as well, and they have a great future in trucking.

That being the situation, and with the capital support that both those railways enjoy—the capital of one of them supported by the government—how can you expect the trucking industry not to be scared and frightened and leery of proposals such as this, which are going to promise specific subsidies for another generation and also support the capital expenditures in the structure of these railways? I make this point because previously at least these lump sum payments which went into keeping down freight rates in relation to wage boosts were applied to freight rates. I wrote down somewhere—I cannot find it at the moment—the minister's statement to the effect that really what this will do is that it will get us away from large lump sum payments and pay the railways for specific things. One of the specific things is passenger service subsidies. Here is a decision to pay the railways a passenger subsidy, which seems

[Mr. Fisher.]