

*Branch Railway Lines*

in Canadian transportation, restricting the role of the board of transport commissioners, or move toward nationalized transportation, initially through nationalizing the railways? We got the answer from the MacPherson commission. In effect they said that our railway structure has now reached the stage where it is easy enough to get into the competitive modes of transportation, particularly in trucking, so we can have genuine competition in most parts of the country. So the thing to do is throw away most of the old, controlled apparatus; let the railways free; set them free to make their way.

This immediately raises one question in my mind about the areas where competition really will not be in effect. I would like to ask the minister how he feels a lumber exporter, or a mine that is shipping concentrates from somewhere on the north line of the C.N.R., is going to make out. Another point involved here is the whole idea that competition in itself in the transportation business is the best and cheapest way of getting things. We had one great competitive surge in railway business back from about 1896 to 1917. What did it leave us with? Right now we have a proposal from the C.N.R. that it should be recapitalized by some \$800 million. We had the tragedy of over-building, all as a result of competition. People may say, "That is old stuff. They do not make mistakes like that any more". That is just where they are wrong.

You want to look at a real boob like Manitouwadge, where you have a small community of 4,000 people, with two producing mines; and we have two railroads into it. This is complete economic nonsense. There is an even bigger development up in Esterhazy, Saskatchewan, where the C.N.R. were on the site. What was one of the consequences? The C.P.R. held the government up—it certainly held a committee up—for its share in this thing. I do not know who is going to profit from the competition. All we know is that neither railway is going to get as much as would be the case if one had the natural entry that seemed to be justified by geography; and we have a duplication of facilities, plant and everything else. We must remember that even the C.P.R., with one sacred institution of private enterprise, has been terrifically subsidized, even within recent years, by the government. So here, Mr. Chairman, are two subsidized operations with a phony kind of competition.

We have another example in this horrid affair down in Gaspé, that the government

has just got out of by one of the craziest undertakings that I know of.

This is in the province of Quebec, a province which does not like the federal government to interfere in its affairs. We are going to support a special road to get us off the hook for building a railway which the previous parliament undertook to build, a railway which the government knows and which the C.N.R. knew is completely uneconomic. I give these examples, Mr. Chairman, to point out that the day of stupidity in the development of railway lines is not past.

I also believe that the day of stupidity with regard to abandonment is not past, because just yesterday I discovered that the Canadian National Railways has put work trains on a line which runs from the lakehead up through Superior Junction to Winnipeg. At the same time there was a big wreck on the south line of the C.N.R. with some 40 cars derailed. The cause of the derailment was supposed to be a broken axle. That is probably true, but I do know that the roadbed on the south line is very poor. I am convinced that the intention of the C.N.R. with their work trains is to improve the northern roadbed, to increase traffic and gradually to snuff out the south line because it is uneconomic. I am sure that is the intention of the Canadian National Railways. But the way we operate results in the fact that we have communities all along the south line who do not know what is coming or what is going to be their future. No wonder the minister takes out words like "rational" and "planned" from the resolution. It will just be orderly. I should like to know how the order is going to unfold.

I suggest that the people of western Canada are getting in this legislation—and I am disappointed to discover that the official opposition, as revealed by their spokesman, seems to be I will not say enthusiastic, but certainly prepared to go along with this legislation—something that they will regret for a long time. I am not speaking just of the abandonment features, but of the whole question of a new deal in freight rates for an area which has not the protection of the kind of competition existing in other parts of the country. Why have the prairies been squawking for years? Why have we one of the most brilliant lawyers in Canada here from the province of Alberta? It is because of their realization of how vulnerable they are in the freight rates situation when competition really does not work in their favour. There seems to be a general tendency to assume that because M. A. MacPherson was from the prairies and was