

Supply—Transport

hon. friend, the Minister without Portfolio, and I am sure this assistance is going to grow more and more. If parliament would see fit to amend the law so that he could be an associate minister, no one would be more happy than I. I think this kind of division could be made. We should keep the whole spectrum together, but there could be some division between the more or less administrative functions and what I call, though I hate to use the word, the thinking.

Some hon Members: Oh, oh.

Mr. Churchill: What about your parliamentary secretary?

Mr. Pickersgill: Because a tremendous amount of thinking does need to be done in this field.

Once again I agree with the right hon. gentleman, the Leader of the Opposition, this afternoon in what he said about the importance of research and development in the field of transportation. I am not entirely sure that the specific suggestion that he made about having a research and development division of the Department of Transport is necessarily the most satisfactory way to deal with the problem; but that research should be done and that it should be co-ordinated is frightfully important.

One reason the Canadian National Railways have made quite a number of advances in the last few years which have made it today one of the most efficient railways in the world is that Dr. Solandt, who had been in charge of research and development in the armed forces, went to the C.N.R. and built up a research division there which has had a very considerable effect on the railway. There is not any doubt in my mind that we need more research and development. We need more co-ordination and we need more planning to provide the best possible transport services for this country.

With regard to the other question, I said a few moments ago that I knew of only two basic ways in which we Canadians could pay for our transport services. One is by having the users pay for them; the other is by having the taxpayers pay for them. I said I did not think that transportation could all be paid for by the users because there are some services which are essential to hold this country together, services which the users simply could not pay for directly because they would not be sufficiently used, and the development of some of the outlying parts of Canada would not take place.

I would also suggest—and I say this not because I think profits are more important than service; in fact, I do not think anyone can go on making profits for long if he does not give service—that there is a simple, easy and automatic way of finding out whether a service is really needed; and that is to subject it to the test which the economists call the test of effective demand, which is the willingness of people to pay for the service.

In the main, I believe that where the volume of traffic is sufficient to make this test possible, and above all where there is some competitive mode of transport, this is far and away the more satisfactory way of doing it. But I do not deny for one moment that there are many services that are essential to this country which cannot be paid for by the users.

● (9:20 p.m.)

In the first place I do not deny that we should never have had confederation, or we should never have had British Columbia in confederation in 1871 without the \$25 million and the 25 million acres of land and the other things that went into the Canadian Pacific which, if capitalized today, would—and I draw this to the attention of people in British Columbia who are constantly talking about the Prince Edward Island causeway—represent a very much more substantial subsidy from the people of Canada to bring British Columbia into confederation than any paid in eastern Canada at the present time. I think that that kind of argument which has been raised is a divisive argument which I do not want to become involved in, and is one which we should forget if we want to adopt a national outlook.

Mr. Barnett: May I ask a question?

Mr. Pickersgill: Certainly.

Mr. Barnett: I am interested in the observation about the capitalization of the 25 million acres. Is that not putting it the wrong way round? Would it not be better to ask if the people of Ontario were not glad that they were linked to British Columbia?

Mr. Pickersgill: That is just the kind of argument that I think is dull, stale, unprofitable and un-national. Either we want to have British Columbia in Canada or we do not. I think one of the greatest political miracles of our age was when the little Canadian parliament in Ottawa pulled off, four years after confederation, the feat of getting British Columbia, which was 3,000 miles away, into