

Canadian National Railways, the Canadian National (West Indies) Steamships, and Trans-Canada Air Lines, saving always the powers of the committee of supply in relation to the voting of public moneys; and that the said committee be empowered to send for persons, papers, and records and to report from time to time, and that, notwithstanding standing order 67 in relation to the limitation of the number of members, the said committee consist of Messrs. Bell, Byrne, Carter, Carrick, Cavers, Churchill, Dumas, Follwell, Fulton, Gillis, Hahn, Hamilton (Notre Dame de Grace), Hanna, Harrison, Healy, James, Johnston (Bow River), Knight, Langlois (Gaspé), Lavigne, Legare, Macdonnell, McCulloch (Pictou), Murphy (Westmorland), St. Laurent (Temiscouata) and Weaver.

Mr. Diefenbaker: Mr. Speaker, at five o'clock I had just referred to the fact that, resulting from discussions in this house, a change has been made in connection with the company to which I made reference, namely, the Welch Company, that has been a most beneficial one, and one that is deeply appreciated by the employees of the Canadian National Railways.

I wish to refer for a moment to Trans-Canada Air Lines, having regard particularly to the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles). He went all out this afternoon and stated that anyone who criticized the operation of Trans-Canada Air Lines was trying to scuttle that corporation. It is not a question of wanting to scuttle the corporation at all. What we of the Progressive Conservative party believe is that the time has come for active competition by private enterprise to be permitted in the operation of air lines. Indeed, we are fortified in our view in that regard by the words of the Prime Minister in a speech made before the air industries and transport association in November, 1953, which were quoted earlier this afternoon. During the period when the Canadian Pacific Air Lines' application to operate a freight service was being considered the Prime Minister said in part, it:—and I merely refer to one or two portions—

... the demands for the services of commercial aircraft should increase to such an extent that increasing competition will be both desirable and beneficial ...

He also went on to say that in the long run he was not in favour of the perpetuation of monopoly conditions. Well, there can be no justification today for the continuation of that monopoly condition under which Trans-Canada Air Lines operate. I mention in particular the operation of freight transport. The failure to grant a licence to Canadian Pacific Air Lines to operate freight services is holding back to a very considerable degree development in the western provinces and generally throughout those areas of Canada which

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would be served by the granting of such a licence. I cannot understand the dog-in-the-manger attitude of Trans-Canada Air Lines in continuing, now that it is perfectly established, an attitude antipathetic to competition. There is no reason why competition should not be permitted. It has been denied with regard to freight; it has also been denied to one air line company which desired to operate a passenger transportation service. The time has come to take the hobbles off air development in Canada, to remove the shackles of an outgrown policy that denies competition, and to give Canadians those benefits that competitive enterprise will assure.

In its passenger transportation Trans-Canada Air Lines have provided a high degree of safety, and for that they are worthy of commendation. No one who uses the airways to the extent that some of us do can deny that in too many instances the service bears a resemblance to that expected from monopoly, bureaucratic enterprise. If competition were allowed, the service and the relationship which should exist between the transportation organization and the travelling public would be very greatly improved.

The hon. member for Winnipeg North Centre says that when we take a stand in favour of competition we are out to destroy Trans-Canada Air Lines. Nothing of the sort is contemplated. But surely when a public body has arrived at the point where its service year by year operates almost to the extent of its physical limitations the time has come for active competition.

We in the Conservative party are not opposed to public enterprise as such. There are certain types of industries in the form of public monopolies that can be operated most efficiently as public enterprises; but our experience in Saskatchewan has been this. However desirable the purpose in mind may be, government in competitive business does not succeed. We have had various lines of business in Saskatchewan—I am not going into that this evening—but they did not pay taxes. They did not pay interest on their investment, and yet they found it necessary to close down. They could not compete against private industry allegedly charging exorbitant profits, according to the proponents of the government in that province, and yet the government-operated enterprises were so inefficiently operated that they were unable to return a profit.

When one speaks of development, the government of that province had very desirable aims. They thought they could abolish the lessons of arithmetic and change the experiences of human nature that history