

*Branch Railway Lines*

—the recommendations in the main have commended themselves to the government, and in the main we are proposing to ask parliament to translate those recommendations into legislation, if the house is willing to accept this resolution and to permit the government to bring forward a bill.

Now I may say that despite what some hon. gentlemen opposite said in the exuberance of debate in recent weeks, the bill has been ready for months, and I say that because I want to say something about the date July 1, 1964, which is in the bill. I do not propose to ask to have the bill reprinted on that account. I think it would be better to have it introduced, better to see what progress we make and, if it is desirable to make the effective date a different date, the government would reserve the right to substitute another date for it, without being accused of retreating or advancing or anything else, but just of being sensible.

**Mr. Clancy:** You are just neutral about it.

**Mr. Pickersgill:** The hon. gentleman suggests that we are just neutral, but we are just being sensible about this matter, and if we can save the taxpayers a little money in the process then it is a good thing to do. I thought I ought to mention this one point because it seemed to me, if later this day we do get consent to introduce the bill, there should be an explanation on the record with regard to this date.

Broadly speaking, what the bill would propose to do is to relieve the railways of the burden of the services which the royal commission decided were uneconomic. By uneconomic I mean services that were being provided to the public at a greater cost than the railway was recovering from the direct payment for those services. It is in that narrow sense of the word uneconomic that I use the term. It does not necessarily mean any of these services are uneconomic in the sense of being unnecessary to the whole economy. Those that are unnecessary to the economy we would hope would be dispensed with altogether; but those services which, for economic or social reasons, do need to be carried on, but for which the railways do not receive, in direct return adequate financial support, it is felt should not be charged to the general revenues of the railways but that these uneconomic charges should be made and clearly defined for what they are, so that we will know in this parliament, so that the public will know as nearly as we can possibly, by good accounting segre-

[Mr. Pickersgill.]

gate these matters—what is costing what, what is being received for what, and how the railways are doing.

The legislation will also provide for a radically new method of freight rate regulation which will involve, in fact, a great deal less regulation than we have been accustomed to in the past, and which is in general very much along the lines recommended in the report.

There are a number of recommendations in the report which do not directly affect these two basic matters, recommendations with respect to the Maritime Freight Rates Act, with respect to road transport and some other matters that are of great importance in themselves, but that it was not felt we should attempt to include within the four corners of this legislation which we now wish to bring forward, and some of which we feel still need more study before the government will be prepared to decide to recommend legislation.

The philosophical basis, if one wants to put it that way, of the legislation is that the railways now, in the main in most spheres, being subject to competition from other forms of transport should be free to compete for business with other forms of transport, but with due regard to the national interest. In this context I should like to say a word about the fear that has been expressed by those engaged in other forms of transport, that in some way or other, the government is proposing massive subsidies to the railways to enable them to undercut their competitors. There is no such thought and no such intention in the legislation.

It is true that in the past several years parliament has seen fit to vote certain sums of money which are paid to the railways because of their financial situation, and it is true that the government will be asking—and parliament has already been told this—to have these payments made for the calendar year 1964, and that we have undertaken to look at the effect of the recent increases in wages, six months after those increases were granted, to see what if any additional, temporary, transitional assistance the railways may require.

But the whole purpose of this approach to the railway problem, the whole purpose of the legislation we have in mind is to get away from any large, undifferentiated lump sum payment to the railways, to make payments only for specific services that are specifically defined, and to leave the railways free otherwise to compete, but to compete