

*Supply—Transport*

spend much time elaborating on that case. I do think, however, that at some point this discussion about the C.P.R. should result in a clear statement to the government as to what ought to be done.

We have to face the fact that transportation is one of those services that the public must have, and when you are concerned with a public service, in the long run it just is not realistic to expect that that service will be provided by an organization whose main interest is in the making of private profit. So long as there was huge profit to be made out of transporting people by rail, so long as there was huge profit to be made out of transporting heavy produce such as wheat, by rail, the C.P.R. as a private organization was pleased to engage in that kind of business. Mind you, it was given the tremendous start that has been documented several times during the course of this debate. I have in mind the huge grants of money and of land that were made to it back in 1880, together with the additional grants of land and money, and other benefits given to it at the expense of the public over the years.

My colleague, the hon. member for Winnipeg North, pointed out this afternoon that these grants run to the order of \$100 million in money and over \$400 million in land. I suppose there is no way of estimating what has been given in terms of oil and mineral rights, and all the other ways in which the C.P.R. has been allowed to make huge profits. I suppose there is no way of calculating what this company has received in terms of taxes it has not had to pay, at all levels of government.

One of my first experiences in public life was to be a member of the council of the city of Winnipeg. I remember our concern back in those days with the fact that the city fathers of the last century, in attempting to persuade the C.P.R. to come to Winnipeg, had guaranteed that its property in the city would be free of municipal taxes forever. Forever is a long while, and after a time it becomes very costly.

As I say, Mr. Chairman, all kinds of benefits were given to the C.P.R. in return for which it contracted to run a railroad, to run it efficiently, to provide rail service for Canada; and again the word "forever" was in that contract. But now that there is no longer profit to be made out of passenger rail service it has become quite clear that the C.P.R. is doing everything that it can to get

out of that operation. Members in all parties on both sides of the chamber have recounted again and again the way in which trains like the "Dominion" have been discontinued, the way in which service has been made unattractive, the way in which the C.P.R. is literally saying to its customers, "We don't want your business any more."

The hon. member for Red Deer made it pretty clear earlier this evening that the C.P.R. is getting itself into a position to unload at least its passenger service, and perhaps even some of its heavy freight service, onto the government of this country.

Instead of our just repeating these charges, instead of our just recounting this indictment against the C.P.R. over and over again, we should lay down a basic principle, and I think the basic principle which the government should accept and should use is this: It should say to the C.P.R. that either it must provide the railway services that the country needs, the services that it is under contract to provide, and charge any losses on those railway services against the profits of its other operations, or it should turn the whole of its operations over to the government of this country to be run as a public enterprise.

**Some hon. Members:** Hear, hear.

**Some hon. Members:** Oh, oh.

**Mr. Knowles:** Mr. Chairman, I heard a grunt or two to my right. I am not surprised at that kind of grunting coming from some of the members who have been saying the government should tell the C.P.R. what to do. What some hon. members would be satisfied with would be for the government to get into an altercation with the C.P.R., with the result that the government would just take over its passenger rail operation. But we insist, Mr. Chairman, that this company which has been able to make such huge profits out of a public service over the years should not now be left with the profitable operations, while it turns over the uneconomic and unprofitable operations to public ownership.

In this same vein, Mr. Chairman, I want to assert very vigorously that in our view the government will be false to the people of Canada if, instead of acting firmly on this matter, of instead of saying to the C.P.R., "Either you provide this service and charge it to your other profits or we take over the whole operation," it rewards the C.P.R. for its failure in its rail service by giving it more air routes. I say that would be a case of the government failing the people of this country.

[Mr. Knowles.]