

*Proceedings on Adjournment Motion*

the 300 processing plants that are being selected and on which the average price will be established. All hon. Members of the House will be interested in knowing that these 300 plants were selected in a scientific manner and the plants in question will represent some 70 per cent of the total manufactured milk produced in this country.

**The Acting Speaker (Mr. Batten):** Order. I would advise the hon. Member that the time allotted to him has expired.

TRANSPORT—DIVISION OF FIELDS OF  
OPERATION BETWEEN RAILWAY  
COMPANIES

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, the question I raised is not the most specific one in the world but it relates to the Minister's pride in announcing that there had been a voluntary arrangement between Air Canada and Canadian Pacific Airlines with regard to passenger service. I pointed out that if the Minister was able to encourage and develop this kind of voluntary co-operation with regard to air passenger service it was about time he did something for rail passenger service.

We have a relatively new president of the C.P.R. who is very vociferous; he has been sounding off about the C.P.R. operation and about the slippery slope of Socialism, and so on. But he has also been quite direct with regard to the passenger service of the railway, and if you look at the last annual report of the C.P.R. you will find this point on page 7:

Railway revenues amounted to \$510.1 million, an increase of \$32.9 million, or 7 per cent, and were the highest in the history of the Company, exceeding those of 1956, the previous record year, by 1 per cent.

Then it says:

Revenues included payments of \$19.3 million related to recommendations of the MacPherson Royal Commission on Transportation and \$7.4 million in respect of freight rate reductions.

Over on page 9 of the report, with regard to passenger traffic it says this:

The "Faresaver" plan, introduced in late 1963, though attracting additional patronage, did not produce sufficient revenue to justify the drastically reduced fares. In view of the increased use of the private automobile over improved highways in short distance travel and the inherent advantages of the jet airliner over long distance, no prospect is envisaged by your Company of attracting rail passengers in sufficient numbers, on many segments of our lines, at prices they are willing to pay, to offset the expenses of providing this service.

The Minister was kind enough to table a letter of the President, Mr. Emerson. This

letter was dated May 12, 1965, and it is very interesting to note that Mr. Emerson falls back in his letter upon the MacPherson Royal Commission. He says:

The Commission also found that railway passenger service was not generally required because of the many alternative forms of passenger transportation. The Royal Commission, after extensive analysis, then made recommendations as to the handling of this difficult problem. The following excerpts summarize the position taken by that Commission:

"...we do not believe that the railways should be encouraged to remain in unprofitable segments of the passenger business".

Then Mr. Emerson goes on to point out:

In spite of substantial curtailment of unnecessary and uneconomic passenger service during the past ten years, it has not been possible to shrink the passenger deficit on Canadian Pacific in any appreciable degree.

Then he goes on to say that most of this deficit is attributable to the transcontinental service. Communities such as Regina, Moose Jaw, the Lakehead and others across Canada are quite concerned about this threatened withdrawal of passenger service, particularly the main line passenger service of the C.P.R. The hon. Member for Halifax (Mr. Regan), the Roman Catholic Member for Halifax or the younger Member for Halifax, made this point in the House, as the Minister will remember. I have an article here which appeared in the Toronto *Star* of April 23 headed "C.P.R. Appears Fed Up" dealing with this question. The article pointed out that the C.P.R. had indicated it would like to get out of the passenger business and probably would. It said the railway would be cutting down on some of its passenger service because the public were not using it. It also said there have been complaints in Parliament during the last year that the railway has been deliberately cutting service and revising schedules. I suggest there is a contradiction here between the view expressed on the part of the management of the railway and the policy set out by the Minister. I should like to point out that section 38 of the Railway Act reads as follows:

The Governor in Council may at any time refer to the Board for a report, or other action, any question, matter or thing arising, or required to be done, under this Act, or the Special Act, or any other Act of the Parliament of Canada, and the Board shall without delay comply with the requirements of such reference.

In a nutshell, we have fear among the employees in these communities over the indefinite nature of the C.P.R.'s commitments to provide passenger services, particularly