

*Railway Act*

House—goes far beyond simply the local case; it goes right into the general application of the law across Canada and it may have consequences which are unforeseen. Therefore I would not like to see the House act precipitously or until we have moved through the system.

There are, however, implications which I would like to deal with briefly, Mr. Speaker, so that hon. members may realize what is at stake here. The first point is that if this bill were approved, the proposed act would imply that all automobile, rail and ferry services would come under the jurisdiction of the CTC. To put it mildly, Mr. Speaker, that would be a very substantial increase in the jurisdiction of the Canadian Transport Commission and particularly that of the Railway Transport Committee. That jurisdiction does not presently lie there and to some extent would amount to a transfer by the courts and by this proposed legislation of jurisdiction from one agency to another agency. I really think that would require far more determination than we could give it in private members' hour.

Second, if ferry services were deemed to be an extension of railway branch lines, when put up for abandonment they would become eligible for subsidies if their continuance were considered to be in the public interest. That also is a question of public policy and public tax moneys.

One of the things which strikes me as being at the heart of many of these rail line abandonments and the abandoning of services on which communities have become reliant is the fact that the people who have been paying for these services in the past have become reluctant to do so in the present and in the future. Indeed, this can be an important factor, because if the business is not there to justify the internal subsidies which are generated to keep these services going, then it seems to me that another form of subsidy has to be discovered. Usually that subsidy takes the form of taxpayers' money which is collected by the federal government and distributed to the agency involved.

A perfect example of this principle, Mr. Speaker, is the situation with respect to railway passenger service which has traditionally been paid for by the freight shippers in this country. At one time, perhaps, when railways were the main means of transportation for people as well as goods between communities, that was no problem. Passenger service may even have provided a substantial income and profit for the carriers. But it is interesting to note that back in the mid-sixties the legislation was changed so that 80 per cent of the losses incurred by the railways in providing passenger service would be paid by the general taxpayer to the federal government. It is interesting, again, to note that the concept of VIA Rail, which is now in the process of being implemented, provides for 100 per cent of the losses to be paid for by the general taxpayers.

It seems to me that the great difficulty we have when we experience local disruption of service by the cancellation of a particular type of service can only be solved by finding someone who can pay the bill. The costs of providing these services do not go away, and whether those who pay that bill, or the greater part of it, should be the general taxpayers or the

[Mr. Reid.]

persons requesting the service is a matter which this House has often debated and on which we have reached no real conclusion.

The more equitable way, it seems to me, would be to have a sharing of the costs between the general taxpayers and the users of the service. Whether the users of the service should pay a premium which is greater than that which somebody else acquiring the service in another geographical location requires is an open question. It appears to me that it would be very useful to have at least a substantial amount of the costs of providing any kind of service paid for by the users as well as a share being borne by the taxpayers.

The question in Canada, I suspect, as to what is the appropriate level of subsidization to be applied to various levels of transportation services is one which is going to bedevil us as long as this House exists. There will never be agreement. As long as people have to use these services there will always be argument raised, as a general principle and point of honour, that they are paying too much for transportation services, just as those taxpayers who do not necessarily use those services will complain that they, too, are paying too much through the general tax levy.

It is a known fact, for example, that the automobile accounts for the bulk of the intercity passenger miles, to the tune of about 85 per cent. Yet when we examine the amount of money which the federal government puts out in terms of railway passenger service, even before the new formula comes into effect, we can see that a person who uses his automobile is paying a substantial premium in order that people can use trains. I have no objection to this principle but we should acknowledge it and try to devise the proper relationship between the user who must pay for part of the service and the taxpayer who must pay for the rest of the service.

● (1752)

Another implication of this bill concerns interprovincial barge and ferry services which come under provincial jurisdiction at the present time. Consequently, there is potential for jurisdictional disputes between the federal and provincial governments. If this bill were to pass it is not clear just exactly where the jurisdictional argument would lead. We know that provinces have steadily acquired authority and power during the last ten to fifteen years at the expense of the federal government as well as opening up new areas for themselves. We also know how sensitive these interprovincial and intragovernmental disputes can be.

I want to suggest, Mr. Speaker, that if we are to extend the powers of the CTC with respect to this particular point of including waterborne railway traffic in the jurisdiction of the federal government, such legislation be drawn carefully so as to permit the provinces to carry on in those areas where they have traditionally carried on. I am not so certain that the federal taxpayer would want to pick up the subsidies which are now being carried by some provincial governments to provide services which they regard as essential, but which may not be