

*Canadian National Railways*

Montreal, as well as trains in other areas. This attitude is very commendable and will be a big help in future years when perhaps, because of crowded terminal facilities, railways may provide better service between major cities a few hundred miles apart than the airways will.

Some of the other activities of Canadian National in the field of passenger service are not so commendable. We have seen branch lines, not only in the area of passenger service but freight as well, and particularly in western Canada, abandoned. The most drastic action, of course, occurred in Newfoundland and I will be dealing with that in more detail later as will a number of my colleagues. I think the management of Canadian National, and even Canadian Pacific, must remember that railway transport in this country should not be provided merely on the basis of whether or not it pays. Railway service in Canada, particularly passenger service, is a service that is provided for Canadians just as the postal service and other means of communication such as radio and television are provided. In view of the peculiar geographical qualities of our country, I understand it has always been the policy of all Canadian governments to try to ensure to the best of their ability that Canadians shall not be penalized because of the part of Canada in which they live. A great many Canadians live in the area between Toronto and Windsor, around the city of Montreal and in the lower mainland of British Columbia. However, there are numbers of Canadians thinly spread out between those areas.

No branch of government, or indeed no quasi-branch of government such as a crown corporation, should try to deliberately discriminate against Canadians because of their geographical location. This is part of the price we have to pay for living in a country the size of Canada with such a small population. If we wish to maintain our independence and our identity, we have to pay for that. We have to subsidize communication services in this great country of ours. This applies not only to railway passenger service but to freight service and the like. One other thing should be remembered in connection with these branch lines which are being discontinued and that is that in many cases they would have helped to open up our country to a greater extent than has been done so far. I feel the most careful consideration will have to be given in the future before we permit any more branch lines to be removed.

[Mr. Nesbitt.]

Passenger service, I believe, falls into three categories from a financial point of view. First of all, there are those lines that do pay. It must be admitted that a great many passenger services do not pay. For reasons I have pointed out, most of these services must be maintained in order that Canadians may not be penalized and so the new parts of Canada will be opened up. It should not be the policy of this government, the Canadian National or anybody else to discriminate against those people living in the thinly populated areas; otherwise we will have a greater concentration of population in a few areas such as Toronto, Montreal and Vancouver. We would also lose the advantage of opening up our resources.

The second category of passenger traffic is that which is in the lucrative passenger areas. I have no doubt at all that even with the rather peculiar accounting and costing methods used by the Canadian National, some areas of passenger service such as Montreal to Toronto, Toronto to Hamilton, Toronto to London and Windsor, do pay a handsome profit. Then there is a third group of passenger service areas. Those are the areas where costs are met but more money could be made if the equipment were used for freight or other purposes. My understanding is that many passenger services, both on the Canadian National and Canadian Pacific, have been abandoned not because they have been losing money but because they did not make as much money as they would if the equipment were used in freight service.

I should like to make one specific observation. Recently the passenger service between the city of Toronto and the city of New York was discontinued. I do not believe there is any need to point out to members of this house the great deal of essential commerce that goes on between these two great cities. While we know that it was the Canadian Pacific that provided the passenger service to New York, I believe that the Minister of Transport could perhaps pass on to the president of the Canadian National suggestions made by members here. We feel that steps should be taken immediately to restore some sort of passenger service between Toronto and New York.

As most hon. members are aware, particularly in the spring, fall and winter months Kennedy airport in New York, which is used by both major air lines connecting Toronto and New York, is fogged in. This is true of both Kennedy and Laguardia airports. Air