

amount or decreased, and trace the relationship between the preferred shares, which are increasing, and the debt? I have not looked at the report, but the debt ought to be decreasing. The technique of getting out of debt is to issue preferred shares on which you do not need to pay dividends. It is not like interest.

Mr. Peters: I am quite happy to admit to the minister that he has lost me. I am certainly not that competent in the subject of finance. All I know is that the committee should take a look at all these factors and should, in my opinion, conclude that the debt is not the debt of the CNR. There is also the fact that we have accumulated some debt by issuing stock for purchases the railway has made in its own right. We probably added that on as well, and then went into the bond field from which we raised money as well. I suggest that on the debt, which has been accumulating for a number of years, we have been paying a great deal of interest. We have long lost whatever advantage we had from borrowing the money.

• (1750)

The money we originally spent to buy all the railways that went into making up Canadian National was put into the national debt. The railway can be operated in a much more orderly way. If Canadians think they need this railway, they should be willing to pay for it, whether by adding to our national debt or in some other way such as stock promotion. We should eliminate the huge interest payment from the financial structure of Canadian National Railways because it distorts our whole railway tariff structure. Everytime we consider an application by Canadian National, we look at the amount of their expenditures, the payments they have to make and the money which parliament has to raise to pay these operating expenses. By using that kind of structure, Canadian National is able to go before the Canadian Transport Commission and justify almost anything. Canadian National does the justifying and Canadian Pacific, which does not have that kind of structure, gets the gravy because of the necessity of maintaining uniformity of the tariff structure between Canadian Pacific and Canadian National.

I agree with the Minister of Veterans Affairs (Mr. Laing) who has shown a great deal of interest in the last few years in the high Arctic. He has shown great interest in buying into the high Arctic and getting the Canadian taxpayer involved. In a previous portfolio, he was able to establish Panarctic of which the Canadian public owns 45 per cent of the stock. Oil is not the only resource in the Arctic. There are many kinds of minerals. When he appeared before the transport committee the other day, the minister stated that in his opinion there was more wealth in minerals north of the 69th parallel than in all the rest of Canada. He may well be right.

If this is so, we will have to consider in the very near future what type of transportation facility we are going to put into the high Arctic. I suggest we will be considering a number of methods. Probably the most economical will be the type of facility that will bring in all the necessary materials and take out all the ore and finished products developed in that area of the Arctic. In order to do this, we will have to raise a lot of money. It will probably make

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the amount given to Canadian Pacific, probably the largest give-away of the Canadian parliament, look small. I hope this money is given to Canadian National to put a line into the high Arctic to develop that area for Canadians in an orderly way, with proper regard for the ecology of the area, and the ability to service the needs of the population in that area.

Pipelines will bring out materials, but they will not take in the goods necessary for production. It is my guess that we will have to consider rail transportation. Large sums of money will be required to build a line. I hope some cabinet ministers will avail themselves of the opportunity to appear before the committee and indicate how we can get out of this financial problem, a problem that has been with us for 50 years.

Canadian National says that this problem cannot be solved. I talked to some of the senior officials. They said that we do not have the guts or the know-how to solve this problem. I think that is wrong. We can if we so decide. A lot of this is just a bookkeeping proposition, transferring from one column to another. We will have to pay interest on the debt, but it will be the Canadian public rather than the railways that will be paying it. We will have losses in rail transportation.

We should be looking at the new systems of transportation. Canadian National should be given the credit it deserves. It is the only railway company in North America that has worked on developing new trains for passenger and freight service. I am sure it is safe to say that Canadian National is many years ahead of any other railway on the North American continent.

I agree that the Canadian National Rapido did not work. However, there are good reasons for this. One is our inability to develop a full-fledged railway component to handle our present trains and at the same time withstand the conditions with which we are faced. Trains cannot be brought from England because our conditions are different. Although the Rapido froze up and had other problems, it was a step in the right direction. In fact, it has been the only step.

Are we being sensible in spending millions of dollars building airports 15 or 20 miles away from cities such as Toronto and Montreal? In my opinion, that is throwing money away as if it were going out of fashion. As an hon. member stated the other day, we should be building a major jumbo trans-Atlantic international airport north of Kingston with a ground transportation system that will get people to Toronto faster than the time it now takes to travel by bus from Malton Airport. I am sure the same situation will apply to Montreal. A major hotel in Montreal still maintains a facility that connects directly to the trains. People staying at that hotel will be able to get on a Rapido train and travel to an airport that will eventually be built in the Kingston area in 30 or 40 minutes. They will travel in ideal surroundings and in complete comfort with all the facilities that can be provided in a modern transportation system.

At the present time people spend 15 or 20 minutes on an airplane, 15 to 20 minutes getting out of the airport, 15 minutes waiting for bus transportation downtown and an hour to one and a half hours to get to the centre of the city. Because of the large land mass in this country, there