

Railway Lands

Canada, came to a similar conclusion as far as rail abandonment is concerned, except that he suggested rights of way should revert to the provincial governments. I refer to pages 104 and 105 of that report which read as follows:

Upon abandonment, the roadbed, that part of the property abandoned, represented by land vested in the provincial Crown for disposition as may be mutually agreed to between the relevant province and municipal authority, the CNR or CPR, whatever the case may be, have entitlement to recover and remove with one exception such of the improvements to the property, rail, ties, other track materials, ballast etc. as may in their judgment be warranted. Culverts, the removal of which might alter established drainage patterns or have adverse effects, would constitute the sole item of improvements to be left in place by the prairie grain authority. We anticipate some objection that the property disposition formula we have outlined involves an element of expropriation of railway property without compensation to the railway company. This cannot be a valid objection. Under sections 106 and 259 of the Railway Act, the railways have a legal obligation to maintain service on all lines until approval for abandonment is given. In the case of grain-related branch lines the railways ask to be relieved of this obligation taking the position, with which we do not agree, that they are operating these uneconomic lines at a great loss even when given the branch line subsidies to which we have referred.

In our view, the railways cannot have it both ways. They cannot secure relief from their financial burdens, as we propose, and yet retain an undiluted title to the property in toto. This is particularly the case when, as we also propose, many elements in the property ultimately to be abandoned are likely in the interim to be enhanced by some degree of rehabilitation involving new investment of funds.

We therefore deem it eminently just and equitable that in return for permanent relief from legal obligation to continue a losing operation and having to restore the abandoned right of way to its former condition, the privilege of being allowed to abandon should be made conditional upon giving up ownership of the land in the right of way. A substantial portion of this land is quite valueless in any event. There should be no crying over the return of rights of way to the Crown.

I first became interested in the subject of railway abandonment some two years ago when the CPR made an application to the Transport Commission to abandon a large portion of what is known as the Kettle Valley Railway in my riding. This railway had long served as a second rail corridor across British Columbia—its use has been abandoned for some years, now. Rail traffic in British Columbia from east to west has been concentrated on what is known as the main line and both the CPR and the CNR use a similar route for much of the traffic.

If one looks at a map of British Columbia and studies the very limited corridor which is being used today for rail traffic, he will quickly see how vulnerable it is in many respects. This may be tolerable as long as the road links which exist today continue to exist. However, road use in years to come will be dependent on the same type of energy source as is used today, namely oil. On the other hand, railways can revert to the use of coal or electric energy generated from sources other than fossil fuel.

I became increasingly interested in rail line abandonment when I realized that at some time in the future, maybe not in my lifetime but certainly in the lifetime of my children and grandchildren, we might very well be obliged to return to rail transportation. I believe the corridors which have been used for railways will be necessary for future transportation in Canada. I have come to believe this even more strongly having looked at what could happen in such a city as Penticton, B.C., if the railways were allowed to abandon their responsibilities and sell off the real estate in these corridors.

[Mr. Whittaker.]

● (1712)

It is for these reasons I asked questions of the Chairman of the Canadian Transport Commission, Mr. Edgar Benson. The CTC, under Mr. Benson, decides whether rail lines should be abandoned. I asked what would happen to the rights of way when abandonment was allowed, during a meeting of the Standing Committee on Transport and Communications. His answer was as follows:

As I understand the situation, once we rule that a branch line or spur line can be abandoned, we have no control over the land per se. But the railway may deal with it as it may see fit. Sometimes when the railway makes application for abandonment, someone will have indicated to them that they would like to use the land for a specific use and the railway will undertake to make land available for that specific use.

In addition I asked why the Canadian Transport Commission could not make it a condition that the land revert to the Crown on abandonment. Mr. Benson's answer was as follows:

You would have to put that into the Railway Act so we would have the authority to do it.

Also I questioned the Minister of Transport on this and received similar answers.

The railways of today are no longer only interested in transportation. For instance, the CPR is not merely a railway company but a huge conglomerate controlling a number of enterprises ranging from mining to air travel and from logging to oil. Also, the company has investments in almost all major industries. One has only to look at their television ads to see this.

In 1897 the CPR and the new Liberal government signed the most important deal since its original contract, giving CPR access to one of Canada's richest mineral areas, southeastern British Columbia in exchange for a reduction of freight rates. By 1970 it was estimated that CPR owned or controlled at least \$1 billion in assets in B.C., making it by far the largest corporation in the province. The second largest, MacMillan-Bloedel, is being slowly bought up by CPR. The brokerage house report on CP will often tout its controlling interest in Cominco as one of the main reasons for the attractiveness of the company as an investment. It is much more important in this regard than the railway.

The government's transportation policy, as it can be exercised by this commission, should stress the transportation aspect and the historical commitment itinerant with the early grants and concessions that helped place CPR in a position from which it could expand and consolidate its position in a number of areas. It had an economic stability; others did not. This enabled it to buy up other railways and to acquire land charters that went with them. To capitalize now on the situation by selling rights of way in urban centres such as Penticton at premium prices is irresponsible. It closes the corridors which might be needed for coal shipping in approximately 15 years, or for transporting products from mining interests in the area to the coast. The line should be retained and maintained, even in disuse. The right of way could be used as a transportation corridor in the future. Under this condition, without the real estate revenues accrued from dividing