

*Branch Railway Lines*

as I just said, it must see to it that what must be done is done in the best possible and economical way.

Such is the part to be played by the government. Let us not destroy private enterprise, the trucking business, by providing too much assistance to the railways. Let us try instead to find a happy medium while enabling everyone to survive and to render services, because planes, trucks and ships are just as useful as railways in our modern age.

We must therefore find a solution which will not benefit one to the detriment of the other, but which will help all transport services.

The Minister of Transport is called the minister of "transport" and not the minister of national railways. When we say "minister of transport", the term may apply to truck, ship, air or rail transport. The minister must represent all those means of transport and not only one.

To penalize the trucking industry in order to save the railways would be a monumental blunder, because it would not foster unity in the country; quite the contrary, it would perhaps contribute to its destruction.

It was also mentioned that we have an obligation toward the thousands of railroad employees. I quite agree. We must see to it that they have good working conditions and good salaries.

But we also must think of the thousands of employees of the trucking industry as well as of the small truckers and even of the large ones who earn their living in the transportation business and whose need to survive is just as great as that of the railway employees. All must be placed on the same footing. All must be helped as much as possible, because they all serve the Canadian community.

However, the resolution contains one point which leaves me rather sceptical. In the middle of the paragraph, for instance, it is said:

—to provide for payments out of the consolidated revenue fund on a reducing scale for a period of five years commencing with 1964 to compensate railways under the jurisdiction of parliament for passenger train deficits incurred in Canada during such period;—

Mention is made of the deficits of passenger services included in the services as a whole, but only for railways under the jurisdiction of parliament, namely the Canadian National Railways.

Now last year, when we studied the last report of the Canadian National Railways, it indicated a surplus of a few million dollars. It will be said that on the whole, there has been a general deficit and it is true. Why?

On account of the debt charges and the payment of interests on the debt of the Canadian National Railways.

When the president of the company, Mr. Donald Gordon, last appeared before the committee on railways, he asked the federal government to recapitalize its debt and stated that afterwards the company would show a surplus.

Well, if the C.N.R. gets a recapitalization of its debt and if it shows a surplus, at that time it will not have a general deficit—there might be a deficit in a certain area, but not a general deficit; for its operations as a whole, it would have a surplus.

And now you would have a government business with a surplus which would nevertheless be subsidized by the government to pay for a deficit which would exist in a given area of operations, namely, in the passenger services.

If there is a deficit in the passenger services but a surplus for the operations as a whole, this surplus should be used to make up for that deficit. It is as simple as that.

As the C.N.R. president stated himself before the committee, once the debt is recapitalized, the C.N.R. would have an operation surplus. So, I do not see why we should go on giving them grants for certain services so that this company may come and say: we have a surplus. Let them use their surplus to make up their deficit. That is what every private company and every business man does. If a man has several businesses and if one of these has a deficit, he makes it up with surpluses from his other businesses.

So, if the C.N.R. has a surplus it should not get grants to make up a deficit in a certain area.

As far as the C.P.R. is concerned, I believe it showed a revenue of \$30 million last year, after taxes. A profit of \$30 million from its over-all operations. It does not appear that it would need a government grant to cover a small deficit in its passenger train service.

Mr. Chairman, I will not say any more for the time being. Like the others I will wait for the introduction of the bill.

However, in conclusion, I would like to draw three points to the attention of the minister.

First, we cannot accept that the government, through a crown corporation, subject private industry to some underhanded competition, using taxes paid by that industry to do so.

In other words, we cannot accept that the government use the taxes paid by the truck-