

Supply—Transport

by these railroads are vitally concerned about the future they may or may not have as a result of actions the railroads are taking.

When dealing with the problems of the C.N.R. and the C.P.R. I think there is one basic thing that should be pointed out. The C.N.R. is basically a transportation company; its only concern is the business of transportation. On the other hand the C.P.R. is concerned with much more than transportation. It is a world wide transportation company; it has interests in rail transportation, steamship, air and water transportation; it also has vast interests in such diversified things as potash, oils, minerals, land and lumber, all of these—as the previous speaker said—acquired through grants given to the company in order to encourage it into existence.

We are now in the position in our history where the old methods are no longer sufficient. In other words, perhaps the carrying of passengers is not a profitable business any more and the C.P.R. wants to get out of it. Acting like a good, corporate citizen it attempts to make a profit for its shareholders and cut its losses. There are tremendous economic pressures on this company and there is a legitimate desire on its part to cut off what it considers to be parts of its business which are a dead loss, and to a certain extent I am in sympathy with this point of view.

However, Mr. Chairman, as an historian I am also aware of the fact that the C.P.R. was founded basically on generous grants of land and other rights which were given to it by the government of the day in order to encourage its establishment. Now these benefits are beginning to pay off and to pay off handsomely. I am told—I am not too sure how accurate this information is and I am ready to be corrected—that approximately 60 per cent of the C.P.R.'s profit last year came from other operations outside those of the railway. In other words, 60 per cent of their profit last year came from such diversified matters as Canadian Pacific investments, land holdings and the mineral and potash developments the company is now bringing into production.

Coming back to my original point, Mr. Chairman, that the C.N.R. is only interested in transportation, I think this indicates why the C.N.R. has been willing to gamble, albeit with the money of the taxpayers, on producing an acceptable passenger service. Until I have seen the C.N.R. report I shall not say whether this is a good policy. It is my understanding that the C.N.R. is still losing a

great deal of money and that the gamble they are taking to provide a passenger rail service may not come off. I think this is something we shall all have to consider when we deal with the discontinuance of the "Dominion". If we want this passenger service, and if it is not profitable, then we in this house will be responsible, presumably, for making up the deficits which are incurred. This means, in blunter terms, providing a subsidy for passenger services.

Mr. Woolliams: This sounds like counsel for the C.P.R. talking.

Mr. Reid: Well, Mr. Chairman, I certainly wish I were getting the wages paid to C.P.R. counsel. If I may return to home problems for a moment and deal with northwestern Ontario, perhaps extending my remarks a little further to include communities that are completely dependent upon the C.P.R. and C.N.R., I would bring these points to the attention of the committee. I refer to those communities which were called into existence in order to serve the needs of the two railways. I believe some points should be made when dealing with the question of these communities. Implementing changes in railway services, the withdrawing of passenger services, the cutting down of freight and express services—which is probably more important than the passenger services—has been carried out at the stroke of a pen by the company without any warning being given to the men employed running these trains or to the communities affected by these reductions in service.

I think this is a most disgraceful method of dealing with this problem. These communities have no means with which to fight back. They are just informed of a decision, the decision is implemented and then they must try and fight it. Sometimes they are successful but most of the time they are not. An example of this disruption is pointed up by what has happened to the "Dominion". This service was cut off and now we are in the position where, if we want it back we must try to reverse the decision of the Board of Transport Commissioners, as well as that of the C.P.R. This is a very difficult thing to do.

I would suggest that if the railways are going to run through and cut off trains, they should, if necessary by statute, be forced to give at least two years advance warning so that the people concerned in the communities affected could look at their budgets and their future plans and be able to make decisions