

Canadian National Railways

would be much more comfortable than the old rail liners. I would ask them whether they had done any research in this regard.

● (4:20 p.m.)

I have a pamphlet which indicates that some experiments were conducted several years ago in the United States in this regard. Why is the Canadian National now considering the operation of these big turbo-trains between Toronto and Montreal which will cost millions of dollars? Do we know that these are going to pay? I suggest they may or may not. By the same token, I do not think the rail passenger service in this nation ever did pay, but this was only a small part of the total railway picture. This was part of the service the railway companies promised to give, not just at the time but in perpetuity. These companies made promises when they were given franchises to operate railways in this nation and they should be held to those promises, particularly in the populated areas. The people deserve rail service and these companies should reconsider their position. I hope they will spend a little more money in researching the feasibility and bringing into operation those things I have mentioned.

Why should all the provinces of Canada be faced with such heavy transportation costs and continue to subsidize the buses and trucks being used by the railway companies? The railway companies have not discontinued their freight and express service in this area. This service must be paying, so the very same people the companies said they were losing money on are still helping increase the revenues of these companies. I agree with an earlier speaker that the management of the CNR has done a fair job of showing a profit in the past couple of years and in reducing the deficit which has to be paid by the government of Canada.

I should also like to refer to the agreements which were made and the things which were given to the railways. It seems to be almost impossible to find the agreements made with the CNR but I imagine they were made on the same basis as the agreements with the CPR. These were the promises made by the companies. The company undertook to build a transcontinental railway by May 1, 1891 and from thereafter and forever maintain, work and run this railway. I have a very interesting little pamphlet entitled "The Federal Railway Land Subsidy Policy of Canada". It is rather interesting to note how much was given to the railways in those days, not only in the way of money but in land. In fact, in one area of Manitoba, for every mile of railway completed the company was given 6,400 acres of land. That was of great assistance and those gifts of land would be worth a lot of money today. I maintain that if the railway companies made an agreement with every town and village through which they run to provide service, they should continue that service as long as there are people to be served. Instead, they are now being allowed to cut off their service.

I have the feeling that in every one of those communities through which the railways run there is a lot of land

[Mr. Howe.]

which was given to them which they still own. Much of this land could be used by these communities. I know of one town in which the CNR has five acres in the most expensive area, and the company proposes to develop the land itself. When the railway companies came to these communities and asked for permission to run services through them, the communities were very happy, but by the same token they are very unhappy to see these services eliminated. I sincerely hope that as time passes some of these things I have mentioned will be considered.

There is one other thing that bothers me, and that is the fact that at practically every hearing the companies have appeared with a great many figures showing how they arrived at a loss position. We asked for an independent audit, but in many cases we were never able to get one. We often felt there were times when the companies charged too much of the operating cost against the passenger services they wanted to discontinue. Even after the Canadian Transportation Commission took over and was supposed to audit the figures of the CNR before they were presented at the hearings, we were not happy with the idea that this was such a financially poor service the companies should be allowed to get out.

When we look at the amount of money being voted each year to this Crown corporation we wonder about the auditing. I have here the Canadian National Railways System Auditor's Report to Parliament for the year ending December 31, 1969. It is not a very large document and it certainly does not go into much detail. If we wanted to find out what was going on in respect of the passenger service in the Bruce Peninsula, it would be impossible to find any figures in this auditor's report to Parliament. Through the years we have been finding areas of government which should probably be examined. In view of all these things, I feel it would be important to all Canadians to have this immense Crown corporation, which plays such a great part in the cost of living of everyone in Canada and is borrowing money from the federal government, brought under the Auditor General. The figures of the company should be presented to him and he should present a yearly report of its operations to this House.

Therefore, Mr. Speaker, I move, seconded by the hon. member for Moncton (Mr. Thomas):

That Bill C-186 be not now read a second time as, in the opinion of this House, the making of financial guarantees or grants to the Canadian National Railways without the appointment of the Auditor General of Canada at least as a joint auditor of the CNR is not a principle that this House ought to support.

● (4:30 p.m.)

Mr. Deputy Speaker: Order. The House has heard the amendment moved by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Howe). If hon. members agree, I should like to consider this matter and discuss it with Mr. Speaker before putting it in a formal manner. I know that at least one other hon. member wishes to deal with the main motion. If this is agreeable, I shall reserve my decision for the present.