

Railway Act

If you look at the size of this country and the distribution of its population you will see that you cannot have a transportation network which is economic everywhere; you cannot have an economic system of transportation to service the north, for example, or to service those regions of the country where the population is very thin. You cannot have an economic system for regions which are remote from the centre.

Then he said:

—the principle of competition can apply where there is competition in Canada at this moment, but it will not work in the many places in which there is no competition.

Implicit in that approach is an integrated transportation system in which you take the railways, the airlines, the trucking companies and the bus companies and you think through what is the best way to move people and to move the goods which we produce and which we need. Have we done that? Has the Minister of Transport given any thought to that? Has the president of CNR given any thought to that? Not if you read any of the papers which they have produced, because they are still thinking of CNR, of Air Canada and other air lines and of bus companies as separate corporations. No thought is given to integration. So a couple of years ago we witnessed the minister pouring \$100 million or more into STOL aircraft. There is no way in which STOL aircraft could compete in terms of efficiency with a really modern railway system. We would never put that kind of money into our railway system. We could move people by rail from Ottawa to Montreal, from Toronto to Montreal or from Toronto to Ottawa—when you think in terms of city centre to city centre—almost as quickly as the air lines can do, and a hell of a lot cheaper. In this day and age when we have a world energy shortage, when Canada is importing more oil all the time, we are still not using our railways as we should.

Of course, the minister and the president of the CNR would say that they have divested themselves of the rail passenger service and turned it over to Via. Of course, Dr. Bandeen did not want the rail passenger service because CNR does not see the necessity for a totally efficient system of transportation. What we really need to do, they think, is to modernize our passenger railway system, to improve the rail beds, to bring in high speed rail engines, to bring in modern and comfortable cars, and to wipe out most of the air service which we now have between Ottawa, Montreal and Toronto because there is evidence to indicate that the short hauls are losers. The companies lose money on all the short hauls, but we have not faced that situation, we are still thinking in terms of separate modes of transportation and how to make them profitable and commercially viable.

Every other country in the world has realized that competition between these various modes of transport is a mistake, that there is a duplication of facilities, over-capacity and underutilization, but the government does not think that, as is evident in the proposals which it makes with regard to the CNR.

The minister has made frequent statements in parliament about his view of the advisability of private ownership and commercial viability, but some hon. members may not know, and certainly many Canadians do not know, what the minis-

[Mr. Orlikow.]

ter's real views are. However, they are indicated very clearly in a letter which the Minister of Transport wrote to the chairman of the board of CNR, Mr. Pierre Taschereau, on January 13, 1977. In this letter he outlined a number of important principles from his point of view, and I want to quote some of them. He said in part:

You will recall that the October 1976 Speech from the Throne stated that 'In a further effort to reduce the size of government as well as expand the range of opportunities for private enterprise, all federal programs will be reviewed to identify those government activities which could be transferred to the private sector without reducing the quality of service to the public.'

In other words, the minister is thinking about some time in the future, hoping the public will forget the hundreds of millions of dollars which had been poured into keeping CNR operating and that the public will agree to leaving the unprofitable services of CNR in the slow growth areas, the maritime provinces, Newfoundland, northern Ontario, the interlake area of Manitoba, northern British Columbia and interior British Columbia, to the public sector so the public will pour in the subsidies, and selling the profitable sections, the sections where there are lots of people and a tremendous volume of trade, to the private sector in this country.

What could be more stupid? What could be more unfair to the Canadian public? Then he said in his letter to Mr. Taschereau:

Although it has generally been conceded that the railway should operate on a commercial basis, in fact the impression has persisted that Canadian National should be used as an instrument of public policy even if at the expense of its commercial performance, it is the view of the government that CN should make every attempt to conduct its affairs with a commercial attitude and in a commercial manner.

● (1732)

I will come in a few moments to what that commercial attitude and manner mean and what their effect would be on the people of Canada. What follows now is a theme which occurs again and again in Dr. Bandeen's speeches. The minister continued:

It would seem to me that the profit centre concept is an excellent basis from which to consider the formation of full-fledged subsidiaries, the ownership of which might, in time, be shared with the private sector.

Now let us consider what the president of the CNR, Dr. Bandeen, sees as the role of the company. We quickly realize that service to the Canadian public is not very high on his list of priorities and that he does not have much sympathy for the needs of slow growth areas in which half the people of this country live.

I should like to quote from a speech Dr. Bandeen made on May 31, 1977, to the Financial Executive Institute of Canada. On that occasion he said:

Most of all, we needed to have strict control of manpower. In large organizations like ours there is an almost irresistible trend for staffs—particularly management and administrative ones—to expand by geometric progression.

I do not have figures to show how Dr. Bandeen has been able to reduce the management and administrative sections, but we do know that in the last two and one half years there has been a reduction of 6,000 people in the employ of the CNR. When International Nickel laid off 2,800 people in