

Supply

Does the hon. member think that the actions taken by the Minister of Transport with regard to the Pearson contract might impact on private companies looking to buy a portion of CN Rail or the entire operation?

Mr. Duncan: Mr. Speaker, the business community seeks many things. One of the things they seek above all else is certainty. Also, they need the ability to work in an environment where they know the rules and where those rules will allow them to clear up any conflicts, particularly through the last court of appeal which is the federal and provincial court system. That is what we call justice and is what our society is built on.

• (1335)

In my view the whole question of the Pearson contract is controversial right now. It is going to create uncertainty in that sphere. The only way we will get to the bottom of it is to settle it through a public inquiry. We need to clear the air, to create fairness and transparency. That is really what we want in asking for the CN task force as well.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I listened with intent to the member's dissertation.

I am very interested in the concept of high speed rail transportation for the Montreal-Toronto corridor because those rail systems would go through my riding. I have had some time to examine this.

One of the obvious problems is a matter of population density. It would appear in looking at similar rail systems in other countries—I think of Tokyo and of Paris—that these systems as well do not pay for themselves. We have just watched the recent unveiling of the London to Paris rail system which is encumbered with a huge debt that possibly will never be repaid.

The member spoke about privatization. I guess the question in the back of my mind is this. Is the current Canadian rail system viable as a private enterprise? If it is not viable in its entirety, then would he address breaking up the rail system into small parts and possibly abandoning the whole rail system in parts of Canada?

Is that what the member is proposing, that we break the rail system up, that if private industry decides it is not viable that we cannot get on a train in Toronto and go to British Columbia?

Mr. Duncan: Mr. Speaker, several issues were put forward. If high speed rail in this part of the world, as opposed to the west where I am from, is a very good proposal, then I would suggest that if the private sector wants to carry it out, that is fine.

It has to be recognized that government can no longer do these things. It has to be recognized that the federal government is now borrowing money from foreign lenders in order to maintain the operations of government. The country cannot afford these large projects.

Where can we go with our national rail system? We have an example of what happened in New Zealand when it privatized its railroad. The railroad went from being the least efficient in the western world to the most efficient. That changes the economics of many of the branch lines and so on. It does not necessarily mean that every remote branch line will become economical.

As a matter of policy, in a country such as Canada we are in all likelihood going to continue to want to have some of those remote lines. We can do that through incentives or through negotiation.

• (1340)

Whether we are going to do this under the umbrella, whether it will be one large rail system or whether it will be broken up I suggest is more a matter of private sector economics than it is a matter of government policy, or at least it should be. It is very difficult to say which is the better way. It will be a matter of financial accident in a sense as opposed to a master strategy.

Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.): Mr. Speaker, it is a privilege and a pleasure to speak to the motion of the official opposition. I agree with their motion when it says there is a lack of action of the Liberal government. I somewhat disagree when it says there is a lack of transparency. There is a lot of transparency and I do not like what I see.

When I look at the transportation policy of the present Liberal government it reminds me very much of a continuation of the Liberal transportation policy of the seventies. I see very little difference between that transportation policy and what I have seen brought forward to the House.

In the 1970s the general Liberal philosophy was: "If it ain't working, close it. Don't try fixing it because somebody else will fix it". I remember very vividly in the 1970s the pressure that was put on for the abandonment of some of the inefficient railway branch lines. The public was forced to accept these. The communities where these branch lines were abandoned were promised at that time that money would be saved by abandoning these rail lines and that money would be put into infrastructure in the road system.

It is with great sadness that I report that we have seen none of those infrastructure improvements on the road systems. We are still waiting. When one comes to the rural communities of Manitoba these days, when one wants to drive through the countryside in the end of June after the highway department people have filled in the potholes with some more asphalt—to make sure there would not be a pothole they have put in a little extra so there is a bump—and when the restrictions come off the highways so that we can haul our regular load and farmers get to moving their grain, one will see dozens of farm trucks doing the bunny hop from one pothole bump to the next pothole bump.