

Canadian National Railways

with respect to the abandonment or elimination of passenger service in Newfoundland. I refer to the reference that will be made to the transportation committee of the annual report of the C.N.R., or something analogous to that. I also refer to the reference already made by the house of the estimates of the transportation commission to this standing committee, and I refer also to the opportunity that will be made available to hon. members when the estimates of the Department of Transport will be before us in committee of the whole.

While there has been some latitude in today's discussion, actually we have been looking at a resolution designed to permit the house to give first reading to a bill similar to other bills of the same nature introduced in preceding years, to give authorization to the government to guarantee certain obligations of the Canadian National Railway and Air Canada and to authorize them to carry out certain types of capital expenditures, and so on.

Some questions have been raised relating more strictly to the terms of the resolution itself. Making use of the offer made by the house leader of the official opposition I suggest that we might pass this resolution, so that we can move on to first and second reading of the bill based on it. Thus, when we get into committee of the whole on that bill, we will be able to examine its clauses in detail, and I shall attempt to the best of my ability to deal with these questions raised with reference to the resolution and the bill.

The Acting Chairman (Mr. Richard): Shall the resolution carry?

Mr. Gleave: Mr. Chairman—

Some hon. Members: Oh, oh.

Mr. Gleave: I am sorry to bore the people opposite, but then you know I too am sometimes bored by them. One of the members from Newfoundland has asked what about western Canada. The member from British Columbia who spoke gave some indication of what is happening in western Canada. A similar pattern of curtailment of service is evident on the prairies.

Agents are being removed from stations, and the result is poorer service. We are faced with proposed rail line abandonments. In my constituency one concerns a railroad which runs 70 miles north from Biggar to the town of North Battleford. Another concerns a line running about the same distance from east to west along the North Saskatchewan river. If

[Mr. Gray.]

these abandonment plans are carried out, that whole triangle will eventually be left without rail transportation.

Farmers will have to haul their produce anywhere from 30 to 35 or 40 miles. One may say that might not be any great hardship on them, but it means that municipal roads will have to be built and maintained to a standard that can stand the movement of heavy duty trucks. Ordinarily municipal roads can stand the movement of comparatively light farm trucks, but when one thinks in terms of trucks carrying upwards of 20 tons, then better road beds will have to be built. This means that local residents who pay the property taxes will have to bear the cost of building the extra roads.

When we argue against the abandonment of rail lines we are told that it is not economic to maintain the rail service. In the name of plain common sense is it good economy to abandon a railroad which can move bulk produce out of an area, and be forced to build roads to a standard that will move the same bulk produce? Yet this is the kind of economics which it is suggested we should accept in a great area of western Canada.

A question was raised in the house more than a couple of weeks ago about the managers of a potash plant in east central Saskatchewan who want to hire a fleet of trucks to move potash, a bulk product, south a distance of 200 miles across the United States border to a point where United States trains would start to haul it. How absurd can we get, as a country, when these sorts of things are proposed? Some of us talked to people at the potash company and they informed us that the rail freight on potash is \$9 a ton. I have no way of knowing whether or not this is profitable to the railroads, but I suspect it is profitable because this is the rate they have set for the potash companies. The railroads move potash out of Saskatchewan to tidewater on the west coast, or alternatively a great deal of it goes south into the United States which is a large customer for Canadian potash. So, we have the situation where a main potash producer, one of the first to get into production in western Canada, is now proposing to move a bulk product like that by truck. Therefore I believe we should seriously consider not only the balance sheet but also the matter of how well we are serving the industries and the people who live in this region. After all, this is the reason the railroads were built. They were built to serve Canada as a nation, and of course to make a