

*Canadian National Railways*

**Mr. Lundrigan:** The question I asked the parliamentary secretary was, in effect, whether any rail passenger lines have been abandoned. Perhaps the question would be much easier to answer if I had asked whether any complete trans-provincial passenger lines have been abandoned in Canada?

**Mr. Gray:** The information I have available to me, Mr. Chairman, is that there has not been such an abandonment. Perhaps my hon. friend would really know more about this than I would, directly, being from the province concerned. Applications have been made with respect to abandonment, but it is my understanding of the law under which the transport commission operates that until the commission disposes of an application the rail line continues to operate.

**Mr. Lundrigan:** Obviously the answer is that there has been no abandonment of any trans-provincial rail line in Canada. My next question is, does the Canadian National, the knowledge of the parliamentary secretary, plan to abandon any complete trans-provincial passenger rail line?

**Mr. Gray:** Not so far as I have knowledge of the matter. Again I suggest the hon. member might want to place this question directly to the officials of the Canadian National when they are before the transport committee, when that committee considers the annual report of the company.

**Mr. O'Connell:** I should like to ask the parliamentary secretary the size of the equity presumably held by Canadian National in Air Canada? How much common stock is owned by the government? I have a second and related question: What is the nature of the \$75 million invested in Air Canada? Is it in the nature of bonds or debentures or is it, in fact, in additional common stock?

• (5:50 p.m.)

**Mr. Gray:** Mr. Chairman, to deal with the second part of the question first, I believe the nature of the investment of the \$75 million is in the form of bonds and debentures. In answer to the first part of the hon. member's question, a perusal of the annual report shows that the equity of shareholders in Air Canada is in the amount of \$5 million and is completely held, I am informed, by the C.N.R.

**Mr. Lundrigan:** Mr. Chairman, I should like to ask the parliamentary secretary whether he is prepared to make a statement to the

house at some time, perhaps now, as to the cost of operating rail passenger services in the various provinces of Canada. We are already aware in a general way of the \$35 million odd deficit of the C.N.R. on its rail passenger services, and it would be interesting to find out what is the situation across the nation, with a breakdown province by province.

We have already seen a very good argument presented by the transportation commission for the abandonment of one rail passenger service in Canada. We are anxious to find out what it costs the Canadian people in the various provinces so that we have some understanding of the decisions being taken in this regard.

**Mr. Gray:** Mr. Chairman, I regret I am not in a position to give such an undertaking and I strongly recommend to the hon. member that he make use of the several other means of parliamentary inquiry, such as the standing committee, which we have already discussed earlier in these proceedings.

**Mr. Lundrigan:** Could the parliamentary secretary through his officials give some indication of the revenue of the C.N.R. in the matter of passenger service this year? Last year, it appears from the little document of which we all have a copy, general revenue was up by \$16.4 million. There is an indication throughout the annual report of the C.N.R. for 1967 that the reason for this increase was largely centennial year. We are not able to get statistics, but it is our feeling as a result of many conversations had with railway personnel in particular parts of Canada that there has been a great increase this year in rail passenger travel.

The auditor's report and the annual report both admit that one of the major reasons for the increased revenue was promotion by the C.N. of improved services in all parts of the country. Consequently one would think that if this policy is adhered to across the whole dominion an increase in revenue in every part of Canada could be anticipated. Could we have some reaction as to revenue from rail passenger services for the current year?

**Mr. Gray:** Mr. Chairman, I understand it will not be possible to make such information available until it is provided to the government in the annual report which will be presented by the C.N.R. However, it may well be that when the senior officials of the C.N.R. appear before the committee the hon. member