

service and the need for subsidies from the federal government would decrease in time.

In conclusion, I support the motion. VIA Rail is essential to the development of communities in all areas across this country.

The Acting Speaker (Mr. Paproski): I did err a little when I said that the hon. member for Nanaimo—Cowichan was to have the floor. The NDP is going to split the 20 minutes into 10 minutes. The hon. member for Nanaimo—Cowichan will have 10 minutes, and the hon. member for Kootenay West will have 10 minutes in order to make up the 20 minutes.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I am going to talk particularly about the E and N Railway on Vancouver Island. I submit that it is a special case, although I expect special circumstances could be used in referring to many of the rail lines that are being discontinued or cut back seriously.

Everyone knows that the province of B.C. has filed a suit in the B.C. Supreme Court to the effect that the action by the federal government in announcing its closure of the E and N Railway is a direct contradiction of legal obligations made in perpetuity under the terms of the Constitution.

It is not that we want the taxpayers of Canada to pay any more to maintain passenger rail service on the E and N. We do say that the Government of Canada made a contract and the Government of Canada in this action is acting in collusion with the CPR to continue stealing from the people of British Columbia something that has been going on for almost 100 years.

There was a contract and there was consideration: two million acres on Vancouver Island, 20 miles on either side of a 150-mile long track, and the railroad was never built that long. Two million acres of timber, currently valued at \$2 billion, was described by a royal commissioner as the finest stand of mature timber remaining in the province. Everything on and under the surface of the land and offshore, off the land—coal rights, mineral rights, 3.5 million acres in the Peace River—was turned over to the federal government by the Government of British Columbia and cash was given to the builders of the railroad, \$750,000. Along with everything else, they got almost enough cash to build a railroad which cost somewhere in the neighbourhood of \$850,000. Tremendous

consideration, and for that we got a railroad that was to give us service in perpetuity.

What did the Dunsmuir interests get out of it, besides the cash of \$750,000? By the time they sold the railroad, all of the transportation assets in 1905, they had sold land to the value of \$4.5 million. They had only \$100,000 in the railroad, but in 10 years they were able to turn over the assets for \$4.5 million. They sold the remaining assets to the CPR for a total of \$2.33 million. They sold coal up to that period in time of approximately 5 million tonnes for a total of \$1 million. They did not sell the coal rights. The total value of the coal rights sold by the Dunsmuirs for the 50 million tonnes that were produced, for which they collected 10 cents a tonne, would be \$5 million. The Dunsmuirs, with a net investment of \$100,000, obtained from the people of Canada or the people of British Columbia, however you want to look at it, a net amount of \$12 million quite apart from the operating of the railroad.

The CPR has not done too badly either. In 1906 it paid \$2.33 million, but the federal government helped out by giving it \$1.5 million in cash. It invested a net amount of \$830,000 in taking over all the assets of the Dunsmuir interests with the exception of the coal and clay rights. Up to 1944 it had sold additional land to the extent of \$10.3 million. It more than quadrupled its total investment and its total investment, as I say, was reduced by a government subsidy. It had 13 times the original investment returned in the sale of land alone.

It made another sale in 1964 of timber land, 229,000 acres for \$56 million. That is \$66 million so far in sales. It had left approximately one million acres. As I said, the royal commissioner described this as the best acreage of mature timber land in British Columbia, which was appraised at that time as being worth \$2,000 an acre. That means \$2 billion was left in that land at that time, plus the \$56 million from that one land sale, plus the other land sales of \$10 million; \$2.66 billion it had received up to that point on a net investment of \$.5 million.

Although the CPR has taken all that money out in excess of \$2 billion in sales alone, it still has tremendous assets there. It is still logging that land. It is a federal Crown grant so the Government of British Columbia can exert no restrictions with the export of round logs. It does not have to get any permission. It is indeed exporting round logs, because it gets a better price for