

we discovered a thread of discontent running through all the evidence with respect to the transportation costing formula. The committee found that they could not accept the costing formula of the railway companies, and consequently an independent costing committee was set up made up of a group of experts on railway costing. It was a committee similar in type to the one working for the inter-state commerce commission in the United States. Nevertheless they brought in an independent report on the cost of railroading in Canada, and it so greatly differed from the costing formula used by the railroads that we were led to believe we would have to take another look at this, which we did. As a result the figures submitted by the railroads at that time were thrown out, and a compromise was adopted by your committee in arriving at certain costs.

● (4:50 p.m.)

It was also laid down in the new act setting up the Canadian Transport Commission that there should be a group of experts within the commission whose job would be to decide on a costing formula that would be satisfactory both to the people of Canada and the railroads. It worries me to some extent to find that presently the CPR has decided to appeal to the Supreme Court of Canada against the costing formula that has been adopted and is presently under consideration for use by the Canadian Transport Commission.

Here again we find another confrontation between the people of Canada, represented by the Canadian Transport Commission, and the railroads. They are disagreeing on what should be a proper costing formula. Therefore, we cannot arrive at any proper decision regarding the present host of applications for railway line abandonment. We cannot reach such a decision until we get agreement on the costing formula. This was the reason that last week I felt it necessary to suggest to the Minister of Transport (Mr. Jamieson) that the government of Canada be represented by the best legal talent available before the Supreme Court of Canada in its hearings on the CPR appeal.

I am naturally concerned, like other hon. members, about the host of applications presently being made for rail line abandonment. As mentioned by many hon. members, transportation is the sinew of our economy, and the various modes of transportation, air, rail, automotive and bus are all interlocked. Rela-

Provision of Moneys to CNR and Air Canada tively speaking we have a good system, but we have problems where there is overlapping of the various services.

During the Transport Committee hearings several years ago when it reviewed the MacPherson Royal Commission report, great emphasis was placed on rail line rationalization. In areas where two competing lines, the CNR and the CPR, were running in close proximity to each other, it was said that efforts should be made to get them together to eliminate some of the duplication, with the result that everybody would benefit, the taxpayers as well as the railroads, and yet satisfactory service would be maintained. Here is an area in which we as a Parliament must support the Canadian Transport Commission.

The CPR presently has applications before the Commission to abandon a number of lines which they claim involve a loss of \$30 million. Going back to my remarks of a few moments ago, we cannot accept this figure of \$30 million until we first arrive at a costing formula acceptable to all parties concerned. I would be inclined to take with a grain of salt the CPR statement that it has lost \$30 million on passenger service.

It is a well known fact that the CPR has already eliminated many passenger trains over great areas of our country. I just cannot countenance its now making an application to abandon The Canadian, the main passenger train running across the populated areas of southern Canada. It is preposterous even to consider it. The original act of Parliament passed in the latter part of the nineteenth century gave the CPR a franchise to build a railroad, and in return it agreed to provide transportation for people and goods in perpetuity. There was no question then that at some future date it could abandon rail passenger service on its main line.

For this it received \$25 million from the government of Canada. At that time that was a major fortune. It was also allocated thousands upon thousands of acres of land lying adjacent to its track running across Canada. Now, we realize that this land, with its mineral resources, has been so profitable to the railway that it has set up a subsidiary company known as Canadian Pacific Investments to handle its profits from the land and to manage its other activities and industrial developments.

As you know, Mr. Speaker, The Canadian played a major part in centennial year in