

see whether some of the same arguments would be applied to that company. A number of people in Canada think that anything run by the government must be run badly, and that public ownership is bad.

An hon. Member: That is right.

Mr. Peters: An hon. member says that is right. Certainly, some officials of Canadian National Railways and Air Canada went a long way to proving the arguments of some of my colleagues, namely, that Canadian National and Air Canada are less than efficient and are doing less than the job they are supposed to do. I was interested in the remarks of the previous speaker. When he was a member of the transport committee I found, when we were discussing the financing of CN, that he was more tolerant of public ownership and more interested than some others in arriving at solutions to problems involving the railways.

When Canadian National Railways was first formed it was necessary to put it under public ownership. I am of the opinion that such ownership is still necessary. I am also of the opinion that Canadian Pacific Railway should also be brought under public ownership. I suggest it is not correct to say that public ownership leads to inefficiency. I suggest the fault can more properly be laid at the feet of members of parliament who take little or no interest in the operations of Crown corporations.

When, in the committee to which I referred, we were talking about jobs, salaries and certain individuals who were vice-presidents of Air Canada, I was interested to note that the chairman refused to divulge exactly what were the duties of those vice-presidents. He would only say that they were on the upper board, or that there were certain people who were not on the upper board. He would not say how much money they made. He left the fairly clear impression that not all vice-presidents are paid the same money. He suggested that if he told us how much each man got, some people would be mad and morale would disappear.

What he said could be applied to the operations of both the Canadian National and Canadian Pacific railways. They have reached the stage in their bureaucracies in which apparently one person does not know what the other is doing. They are more concerned about their little bureaucratic empires than about the over-all railway operation. They think more of the bureaucracy than of running the organization.

In those committee hearings we called a representative of the Wheat Board. I remember we were discussing the question of boxcars and the more efficient handling of grain. We had been discussing the new hopper cars, and I was interested to learn that the Wheat Board was operating the hopper cars. Apparently the board controls the cars although ownership remained in the Department of Industry, Trade and Commerce. It was very difficult to find out whether the Department of Transport, the Department of Industry, Trade and Commerce, the Canadian Wheat Board or one or both of the railways were servicing those cars, although it was indicated that a contract for service had been in effect for some time. It was impossible for the committee to find out the terms of the contract, whether the service was being provided and, if so, who was doing it and, more important, who was paying for it.

Canadian National Railways and Air Canada

● (2150)

When the vice-chairman of the Canadian Wheat Board appeared before us, he indicated they did not anticipate that both CNR and CPR would be able to supply the transportation needs of the grain industry in western Canada this year. He said they were running approximately 75 per cent of the quota of last year, the quota that was agreed to by all parties concerned. This would not meet the requirements of the grain trade this year and they anticipated a shortfall in transportation. He went on to say parliament would have to authorize the purchase of another 4,000 hopper cars this year. These cars are worth \$20,000 each. This means they will be asking for another \$80 million for hopper cars this year. He also indicated that at the end of a five-year period, in order to handle the grain produced in western Canada the Canadian public would have to provide 20,000 cars at an amount well in excess of \$400 million.

When the western conference was held last summer, the transportation problems were so bad that one of the requests of the western premiers was that the federal government build a roadbed for upgrading railway services. They said they would supply the rails and the federal government, through the Department of Transport, would operate the roadbed and the rails. We are developing at least two more forms of railway transportation in Canada, one of them owning the rails and the roadbed, with the Canadian Wheat Board controlling the hopper cars for the handling of grain. At the same time, the CNR is operating inefficiently, scrapping boxcars used for the delivery of grain while boxcars are being built that cannot be used for the handling of grain. Members of this House should look very carefully at its operations, for two reasons. First, it is damned inefficient in the handling of most of our major commodities. Second, it will be necessary for us to take over all the trackage in Canada and bring both railways under the control of one head so that the Canadian public will be served in a way where service is more important than profit.

I have no problem supporting the first two amendments. They would remove the CNR from the hotel business and the building of towers in Toronto. According to the president of CNR, the reason for the tower is simply prestige; it will be higher than the bank towers or any other building in Canada. When pressed as to why they would want to do that, he said they would be putting an antenna on the top to serve our communications system. In my opinion, someone else could have built a tower and the antenna could have been on top of that. It would have been much less bother for those who should normally be running a railroad. They are not running a railroad, they are running a business; and they are doing a damned poor job of it. You cannot put political hacks into that kind of operation and expect them to run a railroad.

Some hon. Members: Hear, hear!

Mr. Peters: Very shortly we will have a chance to do something about this. For many years Mr. MacMillan has been in control of the operations of CNR. I dare say that after 35 or 40 years he has learned a great deal about operating railroads in Canada. He certainly does not know too much about the hotel operation. He does not know why