

The Budget—Mr. Howe

been any research in this country said, "Oh, we did a little bit a few years ago in Quebec, and it didn't amount to anything". I submit the editorial in the Ottawa *Citizen* of November 12 laid the case on the line. The "Canadian Railwayman" has this caption under a picture, "Riding on Air: Train of the Future?" Underneath appeared these words, "Will this be a rail car of the future?" This train will use the air cushion principle and will be a high speed link between major cities. Yet we have done no research into the possibilities of using vehicles like these on the branch lines of this nation. We could take some of the trucks off our highways and we could use rail buses to carry people from one place to another, thereby reducing the number of people on the highway, reducing pollution and reducing accident rates.

During the hearing of the Standing Committee on Transport and Communications this past week, one of the bits of information that came to us was that one 47-passenger bus, if filled, will take 22 cars off our highways. This is interesting information, especially as municipal and provincial governments are trying to find ways of moving people from one place to another as economically as possible. Yet here we have an organization coming under federal jurisdiction which is considering reducing rail passenger service, a service which will carry bulk loads of people from one place to another, and is in fact considering a complete abandonment of such service.

May I say something about cost? It is rather interesting to note that the counties of the area from which I come contain roughly 344,254 people, so if the loss attributed to the area was \$480,000, that would only amount to about \$1.39 per capita. But when we look at the Canadian National report for 1968 we find that freight and express services brought the railway a revenue of pretty nearly \$800 million. Considering that there were about 21 million people in Canada in 1968, this means that every individual in Canada contributed in one way or another almost \$40 to the profits of Canadian National. At the same time, if you consider that the Canadian National Railways deficit in 1968 was \$29 million, again, on the basis of there being 21 million people in Canada, we can see that this deficit cost the individual in this country only about \$1.39. Of course, we realize that if Canadian National did not have to pay about \$70 million in interest on bonds we have been carrying since Canadian National was instituted, the railway would have shown a surplus. In the very same year, Canadian Pacific Railway

[Mr. Howe.]

had a \$42 million surplus. So, I cannot understand all this big cry for reducing passenger service. I hope these figures will be taken into consideration before any definite action is taken.

In the recent statement by the minister on the changes to be made in the role and structure of the federal transport portfolio there is a paragraph on page 5 which I wish to quote. It reads:

Canadian National Railways, Air Canada and Northern Transportation Company Limited, being outside the Public Service, will continue to exercise freedom in their personnel policies, but policy issues or public interest matters will require continuing close consultation with the Minister in the light of the government's general policies.

• (4:50 p.m.)

Administrations and authorities, largely made up of public servants, will be exposed to the normal forces of the commercial environment and will need a capability to be responsive and adaptive to changing conditions. A high degree of authority will therefore be delegated to the heads of administrations and authorities allowing them to make managerial decisions on many day to day matters but—

And this is the important thing, Mr. Speaker.

—subject to ministerial direction on all policy issues.

So, Mr. Speaker, I feel that since this issue is vital to all of Canada, and in view of the number of hearings that have yet to take place, this particular piece of legislation that permits the reduction of rail passenger service in this nation should be amended. I feel that the minister himself must take a second look at this particular operation to ensure that railway management will not be allowed to slough off its historical, traditional and contractual obligations to provide passenger service for the nation.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, the concern which has just been expressed by the hon. member for Wellington-Grey (Mr. Howe) about cancellation of rail passenger service is an issue that finds a great deal of sympathy in my part of the Province of Ontario, a vast region which still relies heavily on this vital link. So, I congratulate the hon. member for expressing these concerns and upon the degree of research that went into his speech.

In my contribution to this budget debate, I wish to present a few thoughts on the large and important topic of environmental control. In his budget speech the Minister of Finance (Mr. Benson) referred to certain government