

I agree with that, Mr. Speaker. However, I think the situation in western Canada is well summed up in the last paragraph.

There is another factor to be considered—the historical. By an Act passed in the Canadian Parliament in 1881, the Canadian Pacific company was given substantial concessions in return for building a line to the West Coast. These included subsidies totalling \$25 million cash—a much larger sum in those days than it is now—

That, we well know.

—and a grant of 25 million acres of land. Out of these concessions, and because of them, the CPR expanded into areas far removed from rail service—hotels, mining and smelting, an airline—which have been highly profitable.

In return for these concessions the CPR agreed to build the railway and operate it "thereafter and forever." This means that the CPR cannot expect to duck out of some of its commitment now, simply because one aspect is now unprofitable. There may be a case for subsidies for unprofitable services—this is a matter for the transport commission's wisdom. But clearly the railway has an obligation to the country to carry on its services in return for concessions given. One cannot be withdrawn, in fairness without the other also being taken back.

I suggest, Mr. Speaker, that the proposal made by the hon. member for Timiskaming (Mr. Peters) that we take this debt off the books of the CNR can be done because it was done in the case of Expo. If the representatives of the CNR were to appear before a committee of Parliament, as they usually do, and explain whether they are able to make a profit or must create a deficit at the rates they are charging, I think hon. members would be in a much better position to decide whether the rates in Canada are too high or too low. If their profit is too great, it is our responsibility to cut freight and passenger rates so that the people of Canada can afford to travel in that manner.

The way the situation is developing in Canada, Mr. Speaker, I daresay before very long there will be very few people in western Canada who will be able to travel by air. Instead, they will have to get a cheap bus ticket or sit up all night on the train whenever they must travel from one point in Canada to another.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, under ordinary circumstances this would be a rather routine bill which, according to its title, asks this House to provide for certain capital expenditures for Canadian National Railways and Air Canada. But as my colleague for Swift Current-Maple Creek (Mr. McIntosh) and others have pointed out, the title of this bill is thoroughly misleading because it also provides for this

Provision of Moneys to CNR and Air Canada

House to authorize the Minister of Finance (Mr. Benson) to make loans to both Canadian National Railways and Air Canada to meet obligations as they fall due; in other words, to make loans to these two Crown corporations to meet potential operating deficits.

It is on that basis I find myself participating in this debate. The bill stands in the name of the Minister of Finance. Normally, I would reply to matters raised by the Minister of Finance, but this essentially is a transportation matter. It is for that reason members on this side of the House who are primarily interested in matters of transportation have led the debate. I have been in this House a number of years, Mr. Speaker. The wheel seems to have gone around one whole revolution. I recall in the years 1958 and 1959 the CNR was in serious trouble with its passenger service. I have here results of discussions I had with the late president, Donald Gordon. He admitted they were in trouble because they were doing a lousy job on their passenger service.

● (4:00 p.m.)

On the other hand, the Canadian Pacific did seem to be doing a good job. They welcomed people aboard their trains. At the present date, I must say, the reverse applies. I do not know what it was that led the management of the Canadian National in 1959, 1960 and 1961 to take another look at its stand with regard to passenger service. But it accomplished veritable miracles, not only as to the number of people carried. All one had to do was contemplate the morale of personnel connected with passenger service. In the years 1957, 1958 and 1959 there was scarcely an employee of the CN who was proud to work for the company. But after the changes which were brought about in railway passenger services through a number of measures there was a complete reversal of attitude on the part of the company's personnel. They were proud to work for the CN and it was, frankly, a pleasure to travel CNR.

The results of this change were apparent. In Edmonton, during the summer, one saw huge trains of 19 or 20 passenger cars, double sections, on the normal runs. The baggage men who had previously played pinocle to keep themselves occupied—I do not really know how they put in their time—were called upon to put in a great deal of overtime to keep up with the demand. And they were glad to do it, because they knew their business was succeeding.