

*Oral Questions*

will be the true market value estimated at at least \$70 million, perhaps as high as \$150 million?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, obviously with the condition that we find railroads in Canada in, with all the discussions and all the uncertainty that is out there with respect to rail activity in Canada, any divestment by CN of any of its assets would be reviewed meticulously and would have to be proven beyond any shadow of a doubt to be in the best interest of Canadian taxpayers.

**Mr. Elwin Hermanson (Kindersley—Lloydminster):** Mr. Speaker, I thank the minister for that assurance. It is invigorating to hear of Liberals moving to privatize crown corporations.

Could the minister further assure the House by telling us what steps, if any, are being taken to prevent the new Saskatchewan owner if it is sold from flipping CN Exploration to new owners outside of Saskatchewan to make a fast buck at the expense of the taxpayer? Also, are the proceeds of a sale intended to go to the federal treasury or to CN?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, there is nothing more amusing than to watch Reform acrobatics. It is unfortunate that the question the hon. member just put was written before he listened to the original question's answer.

What I said, and what I want to repeat, is that any deal that would be made by CN with respect to the divestment of any of its assets would be scrutinized. It would have to be in the best interest of Canadian taxpayers.

To suggest that any transaction would be capable of being reviewed to determine whether anyone in the future might make a profit from it would be beyond even the scope of what Reformers are capable of doing.

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**THE ECONOMY**

**Mr. Janko Peric (Cambridge):** Mr. Speaker, my question is for the Minister of Finance.

A report being prepared by the Organization for Economic Co-operation and Development is predicting that the Canadian economy is doing better than the minister predicted in his budget.

Could the minister explain the difference between the OECD prediction that our economy will grow by 3.9 per cent this year and his own budget projection that the Canadian economy will grow by 3 per cent, almost a full percentage point lower?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, I would like to congratulate the member for his question and express my surprise that none of the members of the opposition sought to ask the very same question.

As the member knows, when we brought forth the budget we did so on the basis of prudent assumptions, knowing that some of the variables would be up and others would be down. Fortunately in this case our economic growth is substantially better than what had been projected. Unfortunately, as the member knows, interest rates are also worse and therefore there is to a certain degree a levelling effect.

This, nonetheless, is very good news. It is very good news for employment. It is very good news for the country. It is the result of our exports, of domestic demand and of confidence in the country. I would like to think that in some small way it is the result of our budget and good government and the fact that we did not adopt this short term policy—

Some hon. members: Hear, hear.

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• (1500)

**TRANSPORTATION SUBSIDIES**

**Mr. Bill Blaikie (Winnipeg Transcona):** Mr. Speaker, my question is for the Minister of Transport.

I had occasion also to read the minister's speech in Thunder Bay. I was concerned about a portion of the speech where the minister talked about direct subsidies to the transportation system. Almost all of the examples he uses of direct subsidies are on the rail side.

It seems this perpetuates the myth that it is the rail sector of this country which is subsidized while other sectors like air and highways are not subsidized by the taxpayer, although it is perhaps less direct and less explicit.

Will the minister assure the House that in whatever he intends to do to our transportation system he will take into account the fact that highways and airports and sectors other than rail are heavily subsidized as well, only not explicitly? Will he keep that in mind when he analyses the rail sector?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, I thank the hon. member for his question. There is no doubt that in the major changes that will have to take place in the transportation system, if it is going to be affordable in Canada we will have to maintain the notion of equity and fairness.

There is no question that the subsidies we refer to mainly deal with rail but of course the freight subsidies in Atlantic Canada that deal with a lot of truck transportation will have to be reviewed.

As we go through this process the objective will be to have an integrated affordable transportation system where all modes can compete on an equal footing.

**The Speaker:** I have notice of a question of privilege from the member for Vancouver South.