

## GOVERNMENT ORDERS

[English]

## CANADIAN NATIONAL RAILWAYS AND AIR CANADA

## PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Friday, October 26, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973 to the 30th day of June, 1974, and securities to be issued by the Canadian National Railways Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, just before the House recessed for the weekend on Friday, I started to participate in a debate on Bill C-164 on financing the Canadian National Railways. I was commenting on the importance of transportation in areas such as Saskatchewan, in view of our farm population and innumerable small communities. I also stated that in Melville we have a large CNR terminal.

We on the prairies sometimes get very angry with Canadian National Railways and Canadian Pacific Railway because it is a fact that these two railways have been responsible for some of the lack of development, high freight rates and discrimination against the prairies. I gave some examples of this in the debate last Friday. This afternoon, I want to spend a few minutes going over the immense power of CNR and CPR to show how these huge corporations affect the lives of people living in the prairies and, indeed, right across Canada.

What is the difference between CNR and CPR? I suggest they are basically the same type of beast. They just have different hides. CNR is publicly owned. CPR is a privately owned corporation. CPR operates in eight provinces, CNR in 10. CPR has a highway transportation organization. CNR has a highway transportation organization as well. CPR has coastal steamships. CNR has coastal steamships. Both have hotels. Both have a telecommunications company and network. Both are involved in the air transportation business. Both are involved in pipeline research in this country. Both are involved in tax ripoffs from the Canadian people.

In my own province, the Hotel Saskatchewan in Regina just last year started paying taxes to the city of Regina. Last year they paid \$350,000 in taxes. That will be their annual tax rate from last year on. However, prior to that, the Hotel Saskatchewan did not pay any taxes at all, despite the fact it is owned by the CPR and has been in operation for many years. The city of Regina still pays the complete water bill for that huge hotel. In other words, these two rail lines have a virtual monopoly on the rail, air and water transportation in this country. Because of that, they exercise considerable control over national policy across this country.

## Canadian National Railways and Air Canada

● (1510)

I want to go back in history for a few moments and express my concern about the monopoly grip these companies have on Canadian life. I urge the government to take the initiative when it comes to freight rates and national transportation policy. The CPR was started in 1880 when they were given some \$25 million by the federal government. At that time they were also given 25 million acres of land, the site of which they could choose over the next 20-year period for their roadbeds, for their stations, docks, workshops, sheds and so on, which went along with their rail transport system. They were given tax exemptions by all three levels of government on everything connected with the railway system. They had tax exemptions on the lands which were given to them for the 20-year period after that land was obtained. The federal government itself built 700 miles of railway during that period, the cost of which, including the land, was some \$140 million, and which today would be worth considerably more than that. The CPR was also given exclusive mineral rights as well as all kinds of land.

You may wonder why the CPR at that time was given such huge welfare cheques or hand-outs by the federal government of the time. There were 40 MPs in the House and 12 Senators, and on checking the records I find that many, if not most, of these MPs and Senators had an interest in the Canadian Pacific Railway Company and were thus serving their self-interest by giving huge hand-outs to the CPR. The government also guaranteed, very interestingly at that time, the shareholders of the CPR that freight rates would be kept high enough so that there would be a minimum profit of 10 per cent on the capital invested in the Canadian Pacific Railway Company. In 1897 the Crowsnest Pass agreement subsidized the building of the CPR into southeastern British Columbia. So that gives you a bit of the background of the Canadian Pacific Railway in this country which was started by rugged individualists by the use of huge handouts and concessions from the federal Conservative government of the day, in mineral rights, taxation, direct subsidies and so on right down the line.

Now, what has the CPR become today? Is it exclusively a railway company? It certainly is not, Mr. Speaker. I have been able to tabulate some of the interests the CPR has, and I am sure this will be of interest to the House as an example of transportation in Canada. The Canadian Pacific Oil and Gas people have petroleum rights in over 23 million acres of land in western Canada. Canadian Pacific Railway Hotels, which is part of Canadian Pacific investment along with the Canadian Pacific Railway Company, owns and operates 11 hotels across this country. Marathon Realties owns a monstrous \$310 million worth of assets and the \$35 million Place du Canada in Montreal. Cominco, which was formerly the Consolidated Mining and Smelting Company, owns or controls National Hardware Specialties Limited in Ontario, which is a zinc die-casting plant. Western Steel Limited is owned and controlled by the CPR in Vancouver. Another company the CPR owns is Pinepoint Mines Limited in Trail, B.C. They own Pacific Coast Terminals Limited in New Westminster. They own Ricken Mines in Yellowknife. They own Coast Copper in