

hope that is the case. I hope I will not have to stand up in the near future and again make a speech about relieving CNR of certain amounts of debt. My colleagues and I are willing to endorse this legislation provided that this assurance can be made to us, particularly in committee, that this will be the last time CNR will appear before us for debt rescheduling.

CN's track record as far as this debt is concerned points to one of the major problems with Crown corporations. In the case of a private corporation, any losses are direct, personal, and keenly felt. As such, losses have the effect of providing a powerful incentive precaution. However, in the case of a Crown corporation such as the CNR, any losses which are suffered are borne by taxpayers, and thus the burden is diffused and is not direct and personal.

In a recent press interview, Mr. Bandeen dealt with the sectors within the CNR which would need improvement if the railway hoped to improve the efficiency of its operations and if it wanted to entertain seriously the idea of proffering public shares.

Mr. Bandeen cited low freight rates as one of the major impediments to financial solvency. He estimated that the CNR would suffer a \$64 million revenue loss in 1977 from grain transport at low Crowsnest freight rates. This concern for the effect of historical freight rates on railway revenues was echoed in the Snavely report which was tabled in this House some months ago. It revealed that almost all the groups participating in the report had concluded that the railways were losing money on carrying grain.

It was not long afterwards that the problem of freight rates was raised in another context, the report of the Hall commission. In its report, the commission had offered the following as one of its major recommendations:

The production and processing of agricultural products should take place in regions which enjoy natural locational advantages for such activities. Freight rates and other transport-related policies should not destroy these natural locational advantages.

The joint problem of securing adequate revenues for the railways and providing a strong basis for secondary industry in western Canada is one that should be of concern to this government. Over the years the railways have been complaining that one of their chief reasons for losses is because they have to haul grain and some oil seeds at the Crowsnest rates.

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We have to realize that western grain crushers, rapeseed crushers, and the livestock industry as well, are suffering because they do not have the advantages of the Crowsnest rates when they ship their processed goods to eastern Canada or to other markets. We, as legislators, have to sit down and seek advice from our constituents on how we can solve the problem of the Crowsnest freight rates as they relate to the processing of oilseeds and the transportation of products that come from the feeding of grain, livestock in particular.

A number of suggestions have been made. The Minister of Transport suggested that perhaps the equivalent of a subsidy could be paid to the farmers through the acreage payment; and as well a payment to municipalities for the upkeep of roads and to solve other problems that may be encountered as a result of additional truck transportation on these roads.

The Hall report recommends that direct subsidies be paid to the railroads for the transportation of rapeseed oil and livestock products in order that they can compete with the Crowsnest freight rates. The suggestion of some people in western Canada is that the government is helping CNR in its financial problems of hauling grain by providing railroad cars. We have provided many thousands of railroad cars to the grain system in order to transport that grain at Crowsnest rates. We have provided them with equipment in order that it is not such a debt burden on the railroad companies. Surely this example could be used to solve the problem of the livestock producer and the oilseed crusher in western Canada. Buy the cars, provide them to the railroads and allow them to transport these products without their having to lay out the amount of money it would take to buy the cars.

Those are some of the suggestions I would make. I am pleased to have had an opportunity to speak on this bill. I hope it will be the last time CNR will have to come before us for debt revision.

Mr. Deputy Speaker: Is the hon. member calling it six o'clock?

Some hon. Members: Six o'clock.

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until tomorrow at two o'clock pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.