

*Canadian National Railways and Air Canada*

**An hon. Member:** A poor MP.

**Mr. Nesdoly:** A gentleman over there says it is because there is a poor MP. I think it is because of poor government, period: that is what we have had for the last 20 years.

I should also like to ask why the railways hang on to rights-of-way on which track was never laid or on which it never expects to lay track. I will give an example. There is a railway right-of-way in my area of northwestern Saskatchewan. Thirty years ago the right-of-way was obtained for the Canadian National from St. Walburg to Loon Lake, Saskatchewan. That trackage was never laid. There is no railway to Loon Lake, but they still have ownership of the right-of-way. In the village of Loon Lake, which is one of the very few places in Canada which is totally surrounded by an Indian reservation and which is one of the few villages in Saskatchewan still growing, the railway has a right-of-way on which 20 or 30 houses could be placed. They refuse to pay frontage taxes for sewage and water, or to give the land back to the village so that it would have the land for expansion purposes within the community.

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I think, also, that the financial dealings, statements and transactions of the CNR should be more open to the public than they have been up to the present time. Many questions have been raised in my own province with regard to the sale of the Bessborough Hotel. When queried as to the price at which the hotel was sold, the company said it was not in the public interest to divulge it and that to give the information would be to give their competitors an unfair advantage.

So they would not reveal the price of the hotel. Yet they sold a hotel in Saskatoon. They spent, I do not know how many millions of dollars, on a huge edifice in Toronto which when it is completed is supposed to be the highest building in the world—over 1800 feet high. And for what? What does that have to do with transportation? I sometimes question what the CNR is doing. Certainly, if they spent a little more money fixing up the tracks in Saskatchewan and buying a few more boxcars, it would be money put to better use than on the CNR building in Toronto.

There are 2,000 hopper cars that the CNR and the CPR are supposed to use to haul grain. They cannot haul grain on half the trackage in the prairie provinces; and we have not yet heard from the government what the deal was with the CNR and the CPR with regard to the rental of these hopper cars and what would be their use.

Basically, railroads should be an instrument of national policy, of national unity and they should be used to serve this country and to bring about the unity of our nation. I will not stand here criticizing the CNR, because I am convinced that it is a good railroad and that it serves its social purposes—which the CPR refuses to do—despite the fact that its financial situation is not quite as good as that of the CPR. But I must also remind hon. members that the CPR was given large sums of the taxpayers' money, land and mineral rights in this country to build up the huge empire which it now has. Yet that company does not provide the type of services which the CNR provides.

[Mr. Nesdoly.]

Every time a little rail line goes bankrupt, the CNR swallows it, perhaps, as I said earlier, for social or political reasons. I think it is about time we looked at our total transportation system and co-ordinated it. I believe quite strongly that the CNR, the CPR and in fact the whole transportation system should come under state ownership.

**Mr. John Rodriguez (Nickel Belt):** Mr. Speaker, I find that Bill C-164, gives members of the House an opportunity to look at the railway system and the airline system which is owned by the taxpayers of this country. I want to point out that the CNR is underwritten by the taxpayers of Canada. When it first set up its operation it amalgamated Grand Trunk, Grand Trunk Northern and Grand Trunk Pacific, and since that time any profits which accrue to the CNR operation are used to pay back the barons of England from whom the government of this country at that time had rescued these almost bankrupt railway companies. I hope the government will see the light and will realize it is time to liquidate the \$1,900 million of public debt owned by the CNR, then perhaps we can go forward with the kind of profitable operation which we have proved the CNR could be.

I always find it rather strange that it is advantageous to those who support the free enterprise system—which you may observe is neither free nor enterprising—to maintain the present arrangement whereby the people of Canada have to cough up annually large sums of money to help pay the interest on that original loan. This effects the operations of the CNR and any profits which it has made. Indeed, it is always very nice to be able to say that the CNR did not make a profit. The public, of course, must not read between the lines and must not notice that the profit which accrues is used to pay off the interest on the original loan. People would like to say that the government cannot run any business profitably nor any transportation system. To say so is always in the interests of those who support the free enterprise system. I have only one answer to that, which is, as my colleague has suggested to me, horsefeathers.

It seems to me that when we look carefully at the operations of the CNR we find that in effect it has been very successful. We find that in the year ending December 31, 1972, for example, the CNR had a profit of about \$45 million. As a matter of fact, the total railway operating revenues rose 10 per cent, from \$1,141 million to \$1,257 million. The carload freight revenues were up by 8.6 per cent, due mainly to the rise in traffic volume. Passenger service revenues rose 3.9 per cent. Also, the CNR paid \$178 million in taxes to all levels of government in Canada in 1972. In addition to that, I repeat that the CNR's net profit was some \$50 million.

Now let us look at how the CNR treats its employees, the people who help to produce the wealth of this railway company. I find the rates of pay of the CNR very interesting. For example, the CNR pantryman with 19 years of service or over gets \$2.97 an hour. A waiter on the CNR with 19 years of service or over gets \$3.11 an hour. A CNR porter gets \$3.14 an hour. A cook assistant gets \$3.21 an hour if he has 19 years of service or over, and the cook himself with 19 years of service or over gets \$3.53 an hour. The chef gets \$4.12 an hour.