

to appoint the company's auditors, and a provision which requires submission of an annual report. Clause 5 repeals subsection 72(5) of the Railway Act, which places a 6 per cent ceiling on interest rates on securities of railway companies. Clauses 6 and 7 repeal the CNR Financing and Guarantee Acts of 1941 and 1942. At no point is there a provision which even hints at imposing a requirement that the CNR operate in an efficient and profitable manner. In fact, the bill does not contain any general statement of intent at all but simply forgives an \$808 million debt which is owing to the people of Canada through the Government of Canada.

I cannot help but marvel at the fertile imagination of the Minister of Transport, who has manufactured a requirement when one clearly does not exist in the legislation. We might ask ourselves what has prompted this particular ministerial flight of fancy. The debate on this matter provides us with an answer to this question.

Members opposite have suggested that the requirement for an accountable and profitable operation arises from agreements reached between the government and the management of CNR. In fact, no such agreements have been reached. Rather, we have only statements of intent from the management of the CNR to the effect that the purpose of this request for debt forgiveness is to make the corporation more efficient and cost-effective in the future.

During this debate my colleagues have outlined the history of debt forgiveness as it relates to the CNR. On each of the four previous occasions that the CNR has requested forgiveness of government debt, the arguments have been the same. On each occasion the corporation has stated that it would be more competitive with respect to the CPR and other rail transportation companies in North America.

On each occasion in the past the company has argued that it would be able to provide high levels of service more efficiently and at a profit, yet we have undertaken this process four times at a total cost to the taxpayer in excess of \$6.7 billion and we are once again considering it today. History has proven that all the good intentions in the world are not sufficient guarantee against the possibility that we will again be debating this proposal in 10 or 20 years.

We on this side of the House have no quarrel with the intentions of CNR's management. In fact, if there is anyone capable of reversing the recent trends of the CNR, it is the current dynamic management team in Montreal headed by Dr. Bandeen. However, we do not quarrel with the government's attempt to create the impression that this bill provides for a guarantee of future profitability in the corporation. I strongly suspect that this particular sleight of hand being perpetrated by the government is politically motivated.

Hon. members opposite realize that they are in trouble for the coming election and are attempting to do a little pre-election bridge building. By not including a requirement of future efficiency in the bill and at the same time attempting to create the impression that such a thing exists, the government is hoping to pave the way for NDP support following the elec-

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tion. Let me assure hon. members opposite that this is an exercise in futility.

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On the same issue, we are pleased that the importance of this total piece of legislation has not been lost. We are also pleased that Bill C-17 is going to committee where we intend to introduce amendments to strengthen the legislation, and we hope to propose safeguards to ensure that the CNR will not come again to parliament to ask that its deficit be picked up by the people of Canada. We hope that members on all sides of the House will see fit to support the amendments introduced in committee, and we hope to be given a reasonable length of time to go over the legislation in detail at the committee stage.

I would be remiss if in a debate of this kind involving a major railway I did not make a few short comments on the whole question of railway rehabilitation in western Canada and the Hall commission report, of which a major part deals with the subject.

In relation to the whole question of the Hall commission report as it relates to the CNR—and I think the two are certainly linked—two points are uppermost in importance. First, I think it should be kept in mind when dealing with the legislation that the railways—now we are talking about CNR and CPR—are receiving far too much taxpayers' money in western Canada without having to account for the way in which that money is being spent.

The second point which should be kept in mind and which we hope will be brought out at the committee stage is that the railways have had until now the best of both worlds. The railroads—and CNR is certainly included—have had a subsidy plus grants to spend as they wish. It is interesting to note, when we are talking about rail line abandonment by railways which are so vital in the transport of grain in western Canada, that not one cent of the branch line subsidy has been spent on the upgrading of rail lines in western Canada in the past years. I think that certainly demonstrates that the railways have really had a free hand and that the moneys they have received from the taxpayers have not been spent on keeping up that basic and very important aspect of western agriculture.

I should like to conclude by reiterating that we will certainly discuss this piece of legislation in committee, and we hope that when it is passed the CNR, under its present capable management, will not come back to parliament asking the Canadian taxpayer to help it out once again.

**Mr. Lang:** Would the hon. member permit a question?

**Mr. Murta:** Yes, Mr. Speaker.

**Mr. Lang:** Mr. Speaker, in connection with the second to the last set of remarks made by the hon. member, I wonder if he is aware, as I presume he is, of the Hall recommendation that the railways be made whole, that is to say, that the Treasury pay the difference to the railway between the cost of moving grain and what they receive for it? That, in the view of both Hall and Snavelly, is the reason why the railways did not do the