

Canadian National Railways

GOVERNMENT ORDERS

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, GUARANTEEING OF SECURITIES

The House resumed from Friday, November 27, consideration of the motion of Mr. Benson that Bill C-186, 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, 1970, to the 30th day of June, 1971, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway 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. Les Benjamin (Regina Lake Centre): We are on the forty seventh year of what I think has become the annual awards day for the Canadian National Railways, awards for their borrowings and their debts. I do not know if this is a longer record than the Academy Awards, but the number of annual awards for the CNR constitute, I think, a record in Canada.

I was disappointed at the manner in which the Minister of Finance (Mr. Benson) chose to introduce this bill, in view of what had been said about the CNR each year, and in particular in the last two or three years regarding its financing problems and CN pensions. One would have thought the minister would have spent a few moments at least expressing government policy, and dealing with some of the questions that have been raised on numerous occasions both inside and outside the House. Instead of that, he chose to spend eight or ten minutes reading what I suggest must have been on the cover of the bill, and then he sat down. This is completely inadequate, and one hopes, however fondly, that before the debate on this bill ends someone else from the government will take part in the debate and deal with matters that were raised in particular last year and again this year.

• (3:30 p.m.)

I choose to call this the 47th annual awards-for-the-CNR Day. It all began in 1923 with the debt that started the company off under an initial financial burden that it can never repay, or at least reduce to a level where it could be met each year out of the operating revenues of the CNR. This continuing debt burden cannot be blamed on the Canadian National Railways. Most of the debt that the taxpayers have met each year can be attributed to the results of public policies which were in effect then, and which are still in effect now.

The evidence is ample that on a year-to-year basis for these 47 years the CNR has been operating efficiently and profitably. In the 47 years its rail operation has shown net rail revenues in 41 of those years, and rail losses in only six of them. In that same 47 years, however, there were only 13 of them when the government of Canada did not have to vote funds for deficits. In the other 36 years, Parliament has voted it a grand total—believe it or

[Mr. Speaker.]

not—of \$1,123,527,043. That is the total votes of Parliament to clear up deficits. They were not votes for capital expenditures, something which would be perfectly proper. They were not votes for debentures or bonds, or for the purchase of shares in the CNR. Those were the total votes in 47 years just to clear up deficits.

If one takes more recent times, from 1944 to 1969, a period of 26 years, the evidence of an efficient and viable Crown corporation is even more striking. In 23 of those 26 years our company, the CNR, showed a surplus. But after deducting interest on debt our company, the CNR, showed a loss in 21 of those 26 years. When one looks at the interest charges one finds an interesting and maybe peculiar situation. One finds that most of the interest charges are now paid to the government of Canada. For example, interest on debt in 1969, as shown in the CNR's annual report, comes to \$74,205,000, but \$45 million of that is interest to be paid to the government of Canada. At the same time, in the same year 1969, the CNR surplus in round figures was \$49,500,000, and so it would appear that for that year much of the money we were voting for the annual award was money to be paid back to the government.

I know, Mr. Speaker, that something like \$4 billion which is owned by the CNR is not of much interest to government members. No doubt they are prepared to perpetuate for another 47 years what goes on with this Crown corporation. And no doubt the Prime Minister (Mr. Trudeau) and other members over there, who are busy gabbling like a bunch of roosters in a chickenless coop, could not care less. But, Mr. Speaker, I hope that there are hon. members of this House who are concerned about it, and who are going to insist that the government do something about it.

I was saying that most, if not all, of the money that Parliament is being asked to vote in this bill for the CNR deficit is money that will be paid back to the government for interest owing to it. Similarly in 1968, interest on the debt of the CNR was \$70 million, and again half of that was interest owing to the government of Canada. These interest charges are compounding a mounting debt. The debt is compounded each year by further loans that are used to pay off previous deficits, which include mounting interest charges that we owe ourselves. In the past ten years, the interest on the debt for our company climbed from \$49 million to \$74 million.

Mr. Speaker: Order, please. I apologize to the hon. member but I must bring to the attention of hon. members that it is extremely difficult to follow the hon. member who has the floor when there are so many conversations taking place. I think hon. members should be prepared to co-operate with the Chair, and with the member who has the floor, a little more than that.

Mr. Benjamin: Thank you, Mr. Speaker. Now that Zorro has left, and maybe left his mark over there, we can continue with what most of us consider to be a very serious matter. I was saying that in the past ten years, interest on the debt of our company has risen from \$49 million to \$74 million, while in the same period the company's return varied from a low of a \$6 million loss