

—to make capital expenditures...in the following estimated amounts for the purpose of capital investment:

Railroad property	\$107,700,000
Branch lines	17,000,000
Equipment	53,800,000
Telecommunications	18,887,000
Hotels	4,113,000

In my opinion, a Crown corporation would benefit from its being financed by another Crown corporation, and I wonder what reason motivated this bill before us now. Why should the financing of a Crown corporation be provided for by a bill of this kind? Could the Bank of Canada not provided these funds and accept federal government securities in exchange for investments?

Today, when the Bank of Canada buys bonds, it buys them from private enterprise. Why should it not be entitled to do so in the case of Crown corporations? If the Bank of Canada can buy bonds from a public concern, why should it be entitled to make profits at its expense? All I can assume is that the Bank of Canada is financing the CNR in the same way that it finances the railways in underdeveloped countries, at the nominal cost of  $1\frac{1}{2}$ ,  $\frac{3}{4}$  or 1 per cent.

The fact that it is possible abroad leads to believe that it should be even easier in respect of public concerns.

I will conclude by emphasizing three main points, which summarize my remarks. First of all, we should have an inquiry made by fair-minded people, in order to eliminate unnecessary personnel.

I do not think that having an inquiry made into the personnel situation every 35 years would be asking too much. It is high time, I believe, that we should try to see where we stand so that we can dismiss useless employees and keep the others. I would therefore suggest that the MacPherson Commission report be reconsidered and that the CNR be asked to stop harassing the railway workers by laying-off those who are doing a useful job. The many accidents which have occurred in the past few years demonstrate that some of these lay-offs were ill-timed. Indeed, those whose job is unquestionably useful are entitled to security.

Since the CNR has legally plundered the pension fund of its workers, I suggest it would be normal to refund as soon as possible those who having contributed to it and now retired, are entitled to expect some protec-

tion. Considering the fact that the military, firemen and policemen are entitled to their pension after 20 or 25 years of service, setting up an optional pension plan to accommodate the CNR employees who wish to retire before they die would be indicated.

The Canadian National Railways should take operating costs into account when setting its rates, they should not be reduced in favour of trusts.

Its financial administration should be revised and this is possible for, if we refer to page 2529 of *Hansard* for September 26, 1967, we can read what the then Minister of Revenue had to say when he introduced a bill similar to the one we are now studying, and I quote:

In the case of the C.N.R., the financing can be done in either one of two ways. The government can borrow the money directly from sources including the Bank of Canada, which would take up a big part of the loan, with the chartered banks taking up a substantial part also, and then advance the money to the C.N.R. Alternatively, the C.N.R. may borrow directly with a government guarantee but it would have to pay a higher interest rate if it did. It can be done in either manner.

Mr. Speaker, the financing can be done in either one of two ways, according to the Minister of Finance (Mr. Benson). So, if it can be done economically, that method should be chosen, and the advice of our friends should be disregarded; in other words, if the Bank of Canada can lend us some money, let us borrow it from it.

If we want an honest administration, if we are not public thieves, let us prove it by avoiding third parties, even though they may be our friends. I say again, let us deal with the Bank of Canada, since the Minister of Finance has stated that we may do so.

● (5:20 p.m.)

[English]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I welcome the opportunity to say a few words on Bill C-7 because it gives me an opportunity to get a few grievances off my chest regarding the treatment that some parts of Canada, such as the Atlantic provinces and in particular Newfoundland, are receiving from Canadian National and Air Canada for whom this bill authorizes the provision of moneys to meet capital expenditures.

I hesitate raising the matter of rail passenger service in Newfoundland again because I