

*Transportation*

a rationality of transportation. I also have to congratulate him on his method of piloting this bill through the house, but he has received, as I am sure he admits, a lot of help from members of the opposition in making it a viable and acceptable piece of legislation.

I believe that rationalization means that the railways should be recompensed for all of the services they give, and also that they should be put in a position to pay for all the services they buy. Clause 1 emphasizes this fact when it states that—

—an economic, efficient and adequate transportation system making the best use of all available modes of transportation at the lowest total cost is essential to protect the interests of the users of transportation and to maintain the economic well-being and growth of Canada.

As I say, I think the minister has pretty well achieved this objective. He has made sure that under this bill the railways and other means of transportation will be adequately recompensed for the services that they offer and be put in a position to be able to pay for the services they get. But the one exception to this is the oversight of the minister's part in not requiring the Canadian Pacific Railway to pay municipal taxes to the municipalities of both western and maritime Canada.

As a result of this oversight I propose to move an amendment later on which will read:

That clause 1 be amended by re-numbering (b) of clause 1 as clause 1(b) (i) and inserting a new sub-clause (ii) as follows:

(ii) each mode of transport, so far as practicable and without prejudice to any single mode, bears a fair proportion of the costs of local government services in those municipalities in which the mode of transport operates; and

This would provide that the Canadian Pacific Railway would pay normal municipal taxes to all of the municipalities through which that line passes. The minister has recognized that this type of thing should be done because back in September last year, when speaking of the C.N.R., the government owned railway, he said, as recorded at page 8210 of *Hansard* for September 8:

It has been the custom in the case of government owned railways, as distinguished from other parts of the Canadian National system, for the Canadian National to make some grants in lieu of taxes. It will be the intention of the government when this legislation has been passed, as a contribution toward the process of rationalization and equal treatment for all parts of Canada, to instruct the Canadian National Railways to make payments to

[Mr. Ballard.]

these municipalities as though they were taxable. We have the power to do that without express legislation.

The minister has acknowledged the responsibility of the government owned railway, and by accepting my amendment I hope he will acknowledge that the same responsibility rests on the C.P.R. to pay taxes to the municipalities through which it passes.

The exemption of the C.P.R. from municipal taxes goes back to the 1881 agreement between the federal government and the C.P.R. The provinces of western Canada had no part in the signing of that agreement. It was inherited by the provinces of Alberta and Saskatchewan from the federal government when the Northwest Territories were divided into the two provinces in 1905. As a result the municipalities are stuck with a situation over which they have no control.

A study made by the Federation of Mayors and Municipalities has calculated that the city of Moncton, New Brunswick, which is served by the C.N.R., is short changed in taxes paid by the C.N.R. by some \$115,249. That is the difference between what the C.N.R. will be paying in taxes after this bill has been passed as compared with the grants it made in the past. The city of Saint John is short changed \$97,058, Sydney, Nova Scotia, \$18,516, Halifax \$311,210, and the situation is not much different in cities through which the Canadian Pacific Railway passes.

● (9:20 p.m.)

I might say in connection with my home city of Calgary that if the C.P.R. were to pay normal taxes—that is, the taxes any other taxpayer in the city of Calgary would pay—they would pay approximately \$739,000. In other words, with the grants in lieu of taxes amounting to \$49,000 the city of Calgary loses a total tax collection from the railway of \$690,000. If this amendment should pass, it is estimated that across the western provinces the taxes to be collected from the Canadian Pacific Railway alone will amount to between two and a half million and three million dollars. This will have a tremendous effect on some of these municipalities. I might say that Calgary forgoes a greater amount in taxes than any other municipality which would be affected by this amendment. Not only are we concerned with the number of dollars we have been losing since 1881 but also the lack of any incentive to force the railways to develop their property in a manner becoming to the city through which the railway passes.