

*Canadian National Railways*

Personally, I am not fully informed on the matter, and I do not know what exactly has occurred since that time, nor have I seen the files. However, I should like to refresh the memory of my hon. friends who, of course, promised in the 1957 and 1958 elections to reconsider this railway line project.

I have no doubt that if they will pay a subsidy to the Canadian National in view of the industrial development going on in the peninsula and of the increased volume of shipping between the north and south shore, a favourable decision could certainly be reached with regard to this railway line.

What prompted me tonight is that the hon. member for Gaspé directed his remarks only to the government owned corporation, apparently in the belief that the decision rested only with that corporation.

The government owned corporation, namely the Canadian National, can make recommendations to the government, but it is not responsible for taking a decision on the matter. It is the government, with its ministers, it is the cabinet which considers proposed locations and reaches a conclusion.

For all those reasons, I thought I was justified in discussing the bill on second reading, and in reminding hon. members on the government side of their election promises with regard to this proposed railway.

Again may I emphasize that conditions have changed over the 11-year period.

Finally, I would ask them, in view of the fact that they have been in power for three years, not only to consider existing locations, and complete them if necessary, but also to make a thorough study of the scheme, if necessary—though I feel the studies have already gone far enough—and to reach a decision which would meet the wishes of the people who have been asking for this railway line for many years.

(Text):

**Mr. D. M. Fisher (Port Arthur):** Mr. Speaker, we in this group support the bill. On the previous stage of the bill we all had our particular innings and I personally am glad to see it pass.

**Mr. W. M. Benidickson (Kenora-Rainy River):** Mr. Speaker, when we discussed the resolution prior to receiving this bill I indicated to the Minister of Finance (Mr. Fleming) that perhaps we might inquire whether or not these capital expenditures in their forbidding entirety would be necessary. I asked that question inasmuch as last year, just within a few days of our approval of a similar bill involving substantial sums for the capital expenditures of Canadian National

[Mr. Chevrier.]

Railways, Canadian National Railways by approval, I think, of its small directorate decided that some \$20 million odd were not necessary.

We have a large sum of money involved in the implications of the clauses of this bill before us. I think it involves an expenditure on the part of Canadian National Railways of about \$200 million and another \$86 million in capital expenditures for a subsidiary wholly owned by Canadian National Railways, namely our well known Trans-Canada Air Lines.

I am not going to repeat what I said at the resolution stage. We are not proposing in 1960 to spend on capital expenditures sums which could in any way be related to these tremendous sums which are involved in this bill. I think that as disclosed in the annual report of the Canadian Pacific railway, inclusive of expenditures that the competing road proposed to make for its air line the capital expenditure for 1960 for the Canadian Pacific railway was the sum of about \$83 million. I indicated that I thought that the executive—and I meant the cabinet—should at some stage examine these matters and that when the cabinet presented to us as legislation a bill such as this bill it should be prepared to indicate that it had taken the responsibility beyond what we gathered was the responsibility taken when we discussed these matters at the resolution stage. I indicated then that there had been considerable paring with respect to the total requirements at various stages within the Canadian National railways organization. I also indicated in that debate that the paring seemed to stop at that point.

Apparently the cabinet—and the Minister of Finance is representing the cabinet in this instance—have the feeling that when this crown company presents a requirement for capital expenditures of this magnitude—and I have indicated it is about \$200 million for the railway and \$86 million for the subsidiary, Trans-Canada Air Lines—there is no paring after it arrives at the public's level of executive consideration, namely the cabinet. When I suggested that the minister might refer back to the experience of 1959 when even the crown company a few days after parliamentary consideration of the matter decided that they did not need some \$23 million, the amount involved in last year's bill, the minister was a bit haughty at the suggestion that he should go back to the crown company and ask whether any such paring on the part of the crown company was likely within a few days or a few weeks of our