

rail or any other method? They will have to make their own way or be left in the lurch.

The hon. member for Vegreville talked about subsidization. You increase the amount of direct public subsidy every time you move a larger part of your transportation system into private enterprise. No matter which or how many of us are sitting here in years to come, the public will demand, and this parliament will have to provide, hundreds of millions of dollars in direct subsidies for transportation. That is an economic reality, whether those systems are publicly or privately owned.

● (2102)

To suggest, now, that we could cut off six or seven profit sectors in Canadian National and sell them off means that a few private investors will rake in the profits while the taxpayers get stuck with all the operations that fail to make money. Surely it is a civilized thing, as well as good business practice, to use money from the profitable sectors to pay for the sectors which lose money. Sometimes this cross-subsidization will be insufficient. Periodically there will be a need for additional public subsidies. That is the reality in Canada. That is part of the price of national unity. That is why confederation was agreed upon in the first place—to attain some measure of equity in transportation costs.

Both the privately-owned Canadian Pacific and the publicly-owned Canadian National have been deserting Canadians by the thousand—on the prairies, in the far north, in the eastern provinces, on the coast of British Columbia, in northern British Columbia. Why? Because they cannot make a buck there. Tough cookie, Mr. Speaker. Surely this proves that private enterprise has no damned business in transportation. This is what got us into trouble in the first place. Take the western European countries which have private enterprise governments. They think we are nuts having private enterprise transport systems. Theirs are publicly-owned and are subsidized as required.

The Minister of Transport (Mr. Lang) is worried about the Canadian people knowing how much the railways are costing us. Hells bells, every year when we got the estimates and the company reports we knew how much it was costing us. The minister suggested that in the case of the statutory grain rates maybe the farmer should receive the benefit of those rates in some other way. He “conned” the Atlantic premiers into forgetting about the Maritime Freight Rates Compensation Act. The premiers did not realize when dealing with the Minister of Transport that they should keep their backs to the wall and their guns loose in their holsters. They were “had”. Transportation is a field in which we all share the costs through fares, rates and subsidies. If the hon. member for Vegreville (Mr. Mazankowski) really wants to do something about national unity, he will refuse to agree to this sell-off which is contemplated, the so-called privatization of Canadian National. His party will refuse to agree to it.

If the government really wanted to do something for national unity, if it really wished to end the feeling of alienation in various parts of the country, it would change its mind. Trans-

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portation is one of the key elements in national unity. Let ministers opposite say to the people of Canada just once, without equivocation, that, for example, in the case of the statutory grain rates, the amount paid by the grain producers is a sufficient amount and that the cost of putting grain into export position should be borne by the nation as a whole, so that we can compete with Argentina, the United States and Australia whose grain is much closer to the seaports. That is the basic reason for the statutory grain rates.

I trust I did not hear the hon. member for Vegreville suggest tonight that he and his colleagues would agree to the total cost of grain transport being borne by the grain producers and then, somehow or other, a little subsidy cheque would be sent out to each farmer. Mr. Speaker, that would be taking us back to the old days of Jimmy Gardiner when he could send every farmer a cheque around election time. I hope I did not misunderstand the hon. member for Vegreville, the spokesman for the Progressive Conservative party.

**Mr. Lambert (Edmonton West):** You would have difficulty understanding him.

**Mr. Benjamin:** Any deficit the railways incur through moving grain should be paid to them directly by the people of Canada through parliament. Canadian grain producers can then remain in competition with the other countries of the world which produce grain. The same applies to the Atlantic provinces. If they are to get their manufactured or primary products into central Canada where the market is to be found, then transportation cost ought surely to be a neutral factor in the business process. If you privatize Canadian National you will not be able to fault management for closing down services in small cities and towns, let alone in small cities and hamlets. You cannot blame the company if the only equipment they buy is the kind that serves big customers and makes the bucks.

I would point out that in most years Canadian National showed an operating profit. The reality is that, whether the railways were privately or publicly owned, when they were built is immaterial. They could not have been built by private investment alone and they would not have been built in the absence of public investment by way of cash, loans at low interest or interest-free, land grant, mineral rights and so on. Once started they got into trouble almost immediately trying to run a private enterprise operation in a geographic and economic situation completely unacceptable to any sensible businessman.

It is no different from trying to run a power line or telephone line into a rural area containing only scattered farm houses and hamlets. You would lose your shirt. Public investment is a necessity because you are dealing with a public utility which everyone in the country uses.

I would be just as happy voting against this bill as voting for it. I do not want to reject the principle of refinancing Canadian National, but the reason for bringing in the bill at the present time is to privatize the company in the same way as Air Canada and other agencies. It is convenient for private enterprises to forget that when the railway companies could