

Railway Act

"finance all its capital requirements without payment from the federal treasury."

As further compensation for overturning this debt it was suggested that the government will no longer be required to underwrite the CNR's deficits and that "an annual payment of 20 per cent of net earnings, or such higher amount as the government may determine, will be forthcoming as a return on the government's equity."

I note that all hon. members who have participated in this debate agree with the principles underlying the legislation. I think that is important. It is agreed on all sides that the CNR's debt equity ratio is unrealistic and that it is a worthwhile goal to improve the corporation's efficiency and effectiveness. Certainly it is one of the truly great corporations we have in this country. As usual, however, there is disagreement as to the means that should be employed in achieving this goal.

In both his press release and his introductory remarks the minister suggested that the means to be employed should be ones adopted simply to improve the competitive position of the CNR and thereby encourage it to become "financially viable and self-supporting." Mr. Bandeen, the president of the CNR, puts it slightly different in his year-end statement. After listing the advantages which will result from the passage of this legislation, Mr. Bandeen makes the following observation in his concluding remarks:

The challenge to CN will be to perform its duties efficiently and profitably while improving the quality of its services for all Canadians.

I emphasize the word "profitably", because it is the introduction of that one little word which has raised the hackles of some members of the House of Commons, notably those members to my extreme left in the NDP.

In that context, and in view of the nature of the debate which has developed on this matter, I should like to refer briefly to the contribution made by my colleague on the transport committee, the hon. member for Regina-Lake Centre (Mr. Benjamin). Although it was some time ago, I can recall clearly the interesting contribution which was made by that hon. member from that part of Saskatchewan to this debate. A careful reading of his speech demonstrates the length to which members of his party must go and the ideological juggling which is more often than not required by that party in debates of this kind, especially when words like "profitable" are introduced into the debate.

In essence, the hon. member for Regina-Lake Centre states that he supports the bill but that he does not like the idea that the CNR will be encouraged to make a profit. It is beyond many of us in the House of Commons how the hon. member justifies that position when, in the words of the ministry of transport press release, the whole purpose of this bill is to "impose on the CNR the responsibility and accountability to manage a financially viable and self-supporting institution."

[Mr. Murta.]

● (2032)

The hon. member for Regina-Lake Centre recognizes the difficulty in this respect. I should like to refer to his speech, as reported at page 2637 of *Hansard*, which reads as follows:

I would be just as happy voting against this bill as voting for it.

Elsewhere in his speech, as reported at page 2636 of *Hansard*, the hon. member said:

We in the New Democratic Party are in something of a catch 22 situation. We agree with the principle of refinancing and the recapitalizing of the CN debt.

This appears to be a clear statement of that party's position, but it is not long before the "but" emerges. There is always a "but" with that particular party. Be that as it may, this particular "but" can be found also at page 2636 of *Hansard*, which reads as follows:

The essential motive behind this bill is to make Canadian national more attractive for private investment.

Of course increased private investment will tend to make the CNR more accountable and more profitable. It is that which sticks in the craws of hon. members to my left.

The dilemma which the hon. member finds himself in is in fact significant. It is a traditional dilemma for members of that party. Also it is the reason that they currently find themselves in the position of having only a tenuous hold on the legislature of one province out of ten, and suffering from ever-dwindling numbers in the House of Commons. Until members of that party can overcome their psychotic aversion to the word "profit", they will never be a significant force in the affairs of this country. However, with the possible exception of hon. members to my left, I believe I speak for the majority of members when I say that the intentions of this bill are in keeping with public interest and the honourable traditions of this Chamber. Nevertheless, the government's stated intentions, and those we find in the bill, are not always completely consistent.

In introducing the bill, the hon. Minister of Transport referred repeatedly to the government's policy of encouraging efficient and sound financial management on the part of Crown corporations. I stress the word "encouraging". I point out to the minister that this policy of encouragement represents a significant retreat from the position stated in his department's press release of December 19. Although I have already quoted the relevant section of this document, it is worth repeating for the benefit of hon. members. Paragraph 5 of the document reads as follows:

...imposes on the CNR the responsibility and accountability to manage a financially viable and self-supporting institution.

I have read with great care and attention all seven clauses of Bill C-17. Nowhere in this legislation is there a provision which imposes any requirements of this nature on the management of the CNR. Clause 1 of the bill deals with the conversion of CNR stock and forgives the corporation's \$808 million worth of debt. Clause 2 provides that the company can retain its yearly earnings after taxes and interest on its public and private debts. Clause 3 repeals section 37(4) of the CNR Act. Clause 4 substitutes therefor a provision allowing the Cabinet