

in losses every three and one-half years. There is no justification for that.

Let me deal with the express service. At one time it was necessary for the railway to be involved in moving express. The total investment by the railway in express service at the present time is \$23.8 million. Last year it lost \$25.4 million. The railway would have been better off to turn the key in the lock and not operate a single express facility. It would not have lost \$25 million. If it had written off the whole \$23.8 million in assets, it would have saved \$2 million on the balance sheet.

• (1815)

That is the kind of thing that is happening with Crown corporations, not only with the Canadian National Railways, but everywhere. Subsidiaries of Crown corporations and Crown corporations themselves are pretending to do a job in the public interest, pretending to do a service that must be done. But invariably when that service is performed by a Crown corporation in competition with private entrepreneurs a loss is incurred. Let us consider this area of express. The bus companies deliver express packages, the airlines deliver express packages, Purolator delivers express packages and Courier delivers express packages. Everybody is in the express business, and a loss is incurred. We have the Government of Canada through CNR in the express business showing a loss of \$25.4 million. This is disgraceful and it must end. The assets should be sold to those who can handle those assets and make a profit and pay tax. That is the way business ought to operate. Things ought to be done properly, reasonably and effectively.

[Translation]

**Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, as the House is aware, from the very outset the railways in Canada have had to undertake many peripheral activities to ensure efficient operation of the railroads as such. They had to provide their own telephone lines and they also had to provide the infrastructure for traveller accommodation. In addition to these peripheral activities, the railways were also granted non-monetary privileges. The latter included title not only to land but also to minerals and oil.

With the passage of time, the needs of the railways and the value of their assets have changed. Canadian National Railways had to decide whether it would sell its assets and made a financial profit immediately or obtain a maximum profit on a long-term basis. The Government, as shareholder, will have to decide whether CN's activities with respect to non-rail assets are appropriate. The question of privatizing the corporation has been the subject of several studies. With the exception of CN Rail, CN's assets are managed by CN Enterprises. This division has been given the mission to manage and control assets so as to ensure maximum returns on a long-term basis and also to develop new projects that would complement and enhance current CN projects. In 1983, CN Enterprises made a profit of \$65 million, specifically in communications systems, marine services, real estate and oil. These profits have enabled

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the corporation to increase borrowing by \$100 million without changing its debt/asset ratio. This means that CN has been able to finance other projects such as expanding railroads in western Canada.

Like other hotel chains, the Hotels Division and the CN Tower have suffered from the recent recession. In 1983, the Division incurred a loss of \$2.7 million. In 1982, it incurred a loss of \$0.7 million. In 1981, it made a profit of \$0.9 million, and in 1980, a profit of \$2 million. In 1984, the corporation expects the market to expand and its income to increase. Over the next five years, the corporation intends to integrate all its hotels in a unique and distinguished chain of first class hotels. The Government is confident this project will be a success.

[English]

RAILWAYS—LEVEL OF INVESTMENT BY RAILROADS. (B) SIZE OF INVESTMENT TO MOVE GRAIN

**Mr. Bill McKnight (Kindersley-Lloydminster):** Mr. Speaker, I rise to take part in the adjournment debate regarding a question I asked the Minister of Finance (Mr. Lalonde) on April 16, 1984.

It is very interesting to follow my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), who spoke on the Canadian National ownership of hotels, trucking lines, parcel services, restaurants and towers in downtown Toronto. The CNR, which is supposedly in dire straits financially, has to charge the farmers who produce the grain for a hungry world more to move that grain. Yet it continues to operate in areas where it could very well be displaced by enterprising individuals who wish to make an investment and obtain a return. The investments the CNR has made in hotels and the trucking industry, as my colleague pointed out, have not brought a return to the taxpayers of Canada.

• (1820)

On April 16, following a question by the Hon. Member for Brandon-Souris (Mr. Clark) to the Minister of Finance, the Minister stated that over \$1 billion from the Government of Canada was being put into the farming industry in western Canada. I would like to quote briefly from *Hansard* for April 16, as reported at page 3080, wherein the Minister stated:

The Hon. Member's Party opposed the improvement which we put forward in the Crow legislation, but the Hon. Member should realize that with that legislation goes substantial support to the farming sector and to the grain community.

Anyone who has ever sat on a tractor for more than 37 seconds, or grown any more than a half bushel of grain would understand that that is a complete fallacy. The people in western Canada will give action to that knowledge by way of the ballot box when they have a chance.

Let us determine, by using Westack figures, who uses the railroads and who benefits from the investment. In 1982 coal took up 45.5 per cent of available space on the railroads in