

Canada to form the western provinces into a free trading area because customs tariffs are detrimental to the economy of western Canada. This feeling has been evident for years. With the present lack of cash in western Canada it is now more evident than ever, and that is due to the inability of the federal government to sell western Canadian products on world markets. Here I am not talking only of agricultural products. I am talking of minerals such as potash, and of oil and gas.

I am glad to see that the minister who is piloting this bill is in attendance in the chamber, because we need some answers from him. A colleague of mine suggests that the Minister of Transport (Mr. Jamieson) should also be here to listen to the pleas being made, and being made not only by members of the opposition. The hon. member for Cochrane (Mr. Stewart) and the hon. member for Thunder Bay (Mr. Penner) mentioned complaints similar to ours. I suggest that they should support this NDP amendment on the grounds of the arguments that they made on behalf of their constituents.

The title of the bill refers to the "capital expenditures" of the Canadian National Railways and Air Canada. I suppose the minister will tell me that the title does not mean anything, and that what we must look at is the Governor General's recommendation. I quote from the last few lines of the recommendation:

—to authorize Her Majesty to make loans to the Canadian National Railway Company and Air Canada to meet deficiencies in operating revenues to June 30, 1970, any such loans to be repaid from revenues of the railway company and Air Canada or, if revenues prove insufficient, by subsequent deficit appropriation by Parliament.

● (3:30 p.m.)

In other words, this is an operating loss for which we are giving this blank cheque. Let us look at what the minister said. I was hoping that in his opening remarks I would find some explanation, so I went back to page 802 of *Hansard* for November 13, 1969 where, referring to this operating deficit for the fifth time, he said:

As in previous years the bill would provide authority for the government to make temporary loans to Canadian National Railways and Air Canada to meet deficiencies in operating revenues up to June 30, 1970. Any such loan is repaid later from revenues of Canadian National Railways and Air Canada or, if these prove insufficient, the loans are written off through parliamentary appropriation.

Provision of Moneys to CNR and Air Canada

Here he repeated, Mr. Speaker, almost word for word what is contained in the Governor-General's recommendation. When this bill goes to the committee I think there should be an investigation of what the deficit will be. It is not good business, in any circumstances, to pass around blank cheques. I am not denying the fact that there could be a deficit and, indeed, I suppose most Canadians expect the CNR to show a deficit because they do want the service it renders. But to me, this is one of the reasons why the bill should be "hoisted", as the hon. member for Timiskaming (Mr. Peters) said. There should be a more thorough explanation given as to why business is done in this manner. Perhaps the minister could say that this is the way it has been done for the past 20 years, but if it is wrong that is no excuse for not correcting it.

Another thing that concerns me about this bill, Mr. Speaker, is a recommendation contained about halfway down page 3 which reads:

—to borrow either from Her Majesty or by means of issues of securities guaranteed by Her Majesty an amount not exceeding \$19 million for construction of branch lines;

Now, the very mention of branch lines is abhorrent to a westerner, Mr. Speaker. For the past few years railway companies have been abandoning branch lines in Western Canada. I can imagine what the people in my constituency would have to say about that appropriation of \$19 million for branch lines which, in their own area, are being abandoned. The arguments used by the railways in support of their decision to abandon those lines should be as feasible now as they were then. One of the reasons given was the improvement in the roads.

I am sorry that the hon. member for Saskatoon-Humboldt (Mr. Lang) is not here because I understand that in a speech the other day he said many more country elevators would be abandoned. This puts a greater charge on the farmers of western Canada because it is more expensive to haul wheat from the rural areas to the main line of any railroad. The reason these railroads have these main lines, Mr. Speaker, is that they have a monopoly.

Last night a member hinted that there is collusion between the CNR and the CPR with regard to freight rates. Maybe the CPR is smart enough to get the CNR to make these proposals for an increase in the freight rates and then ask for the same thing! But when any company has a monopoly certainly it can