

**Mr. Lang:** To be perfectly accurate, Mr. Speaker, I would like it to be noted that this afternoon, as recorded in *Hansard*, twice in 25 minutes the hon. member said something which was correct. I acknowledged it each time he was correct. The rest was simply nonsense.

May I call it ten o'clock, Mr. Speaker?

### PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

#### CANADIAN PACIFIC RAILWAY—REQUEST BY HIGH SCHOOL CLASS FOR EXPLANATION OF FEDERAL GRANT IN LIGHT OF NET INCOME

**Mrs. Grace MacInnis (Vancouver-Kingsway):** Mr. Speaker, on April 23 I asked the Minister of Transport (Mr. Jamieson) a question which was put to me by someone in my constituency. The letter read:

The writer is a senior student of Killarney secondary school. Recently we were analyzing the 1970 annual report of the Canadian Pacific Railway Company. On page 14 we noted that the net income for the year amounted to \$55,772,000. On page 12 we learned that the company received \$33.1 million as a normal payment from the federal government.

I would respectfully ask if you would explain the reason for this grant to a company with such a favourable earning statement.

As the federal government pays this annual subsidy to the CPR, I naturally thought the Minister of Transport would be the best person to give me an answer. However, Mr. Speaker ruled that my question was not in order at that time and I am therefore asking it now. Why was it necessary for the federal government to take \$33 million of the taxpayers' money and give it to a company whose net income for 1970 was \$55,772,000? Why has it been doing this sort of thing for years?

It is very difficult for some organizations to get much smaller subsidies. There are the organizations which help people without any profit to themselves. This year's estimates, for example, list the grants given to the Canadian Foundation on Alcoholism, the Canadian Mental Health Association, the Canadian Paraplegic Association, the Canadian Public Health Association, the Canadian Red Cross Society, the Canadian Tuberculosis Association, the Health League of Canada, the St. John Ambulance Association, the Traffic Injury Research Foundation and the Victorian Order of Nurses.

● (10:00 p.m.)

Taken together, all these organizations received a grand total of \$172,000—an infinitesimal fraction of the \$33.1 million handed over to Canadian Pacific Railway whose net profit last year was \$55,772,000. Why the difference in treatment? The recent statement on income security issued by the National Council of Welfare refers to the inconsistency of our programs with our professed values. It compares welfare payments to various types of

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recipients—mothers on welfare, foster parents and others. Then it comments as follows:

But if welfare payments to foster mothers are more than three times what welfare payments to assistance recipients are, they are still modest compared to payments to the real beneficiaries of government welfare programs, the corporate rich. Only these aren't called welfare programs. They are called things like "economic growth incentives". These payments—mining subsidies, tariff supports, tax incentives—represent regressive income transfer programs, money taxed from the poor and near-poor and given to the rich.

It seems to me that Canadian Pacific Railway has been a very fortunate social assistance recipient for years. The National Council of Welfare thinks it is time we extended this kind of welfare state to include the poor. But no, not this government! The National Council of Welfare goes on to say:

Rather than provide money to people, we give it to companies on condition they will use it to create jobs (along with profits). Under the Regional Development Incentives Act—through which IBM for example, received a grant of \$6 million and all told more than \$125 million has already been given away to corporations—we provide subsidies averaging more than \$6,150 per job and running as high as \$30,000 per job. And we continue to pour money into industrial support schemes, notwithstanding the spectacular record of failures and wastages of taxpayer money chalked up by government-assisted industries.

Of course, what the National Council of Welfare wants to see is a guaranteed income adequate to enable full participation in the Canadian society by every member of that society. We can afford it, but only if we stop subsidizing the corporate rich who don't need it, by the various devices which are used to give social assistance to the wealthy CPR and others.

Now I should like to hear the parliamentary secretary's answer to the question raised by the senior students of Killarney secondary school in Vancouver: Why was it necessary for the federal government to take \$33.1 million of the taxpayers' money and give it to Canadian Pacific Railway, whose net income for 1970 was \$55,772,000?

**Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, since this matter was raised by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) a number of weeks ago I have had an opportunity to take a look at the annual report from which figures were quoted.

The hon. member will recall that substantial changes were made to the National Transportation Act in 1967 which attempted to further rationalize financial assistance provided by the federal government to our national rail lines, in the public interest. The \$33.1 million which was mentioned represents what is known as the normal payment by the federal government to Canadian Pacific Railway for 1969, not 1970. In 1970 the sum was reduced to \$27.4 million, and it will be reduced again this year and again in each succeeding year to 1974 when the authority for such payments will expire under the act.

If the hon. member would like a detailed account of the approach adopted by Parliament to this matter I