

*Provision of Moneys to CNR and Air Canada*

transcontinental service. The money used for this purpose should not be thrown into the same kettle and mixed up with the \$2 billion debt which has been accumulating ever since we bought the Grand Trunk railway over half a century ago.

I suggest that any member who does not support this motion to force the government into making a commitment that they will reduce the CNR debt to a manageable level by transferring it to the national debt, is dishonest because he will not be contributing to the creation of a situation which will allow the government to take an honest look at the CNR passenger service and decide whether or not it is making money. The CNR is reaching a stage where its debt will equal our gross national product. We do not know of anyone who would want to buy the CNR for \$2 billion. We should do the same as any other business, that is, re-arrange the financing in such a way that we can get a true picture of the company without this debt.

● (3:20 p.m.)

All the members of this House who say they are interested in the CNR, interested in establishing transport costs for every area of Canada, should take an honest look at this suggestion. We have tried to make a fight on several occasions on the question of the CNR debt. I do not see any good reason for carrying the debt in this way. In fact, I see many disadvantages to it.

The Minister without Portfolio (Mr. Gray), who is piloting this legislation through the House, should be able to tell us what will be done about this problem in the very near future so that we will not be faced with it every year. To give him time to do this, I think members would be justified in giving the bill a six months' hoist. The government would then have time to consider other methods of financing the CNR, and transferring its \$2 billion debt to the national debt.

The CNR can never repay this debt, and we as taxpayers face a heavy burden trying to meet even the interest on the debt.

**Mr. Jack McIntosh (Swift Current-Maple Creek):** Mr. Speaker, normally I do not find myself in the position of being able to support a motion proposed by the N.D.P. However, on this occasion I feel compelled to support the amendment moved by the hon. member for Timiskaming (Mr. Peters), but my reason for doing so is entirely different from his, although there was a great deal of common sense in what he said. In fact many of his

[Mr. Peters.]

words last night and today would lead me to believe that at heart he is a free enterpriser. He does not believe in monopolies, as some members of the N.D.P. seem to do. In fact, a suggestion he made last night would lead me to believe he is possibly inclined to Social Credit ideas with regard to the bonds already issued by the Canadian National Railways.

The hon. member's argument made sense in view of the fact that recently this Parliament wrote off the deficit incurred by Expo 1967. The government proposed that that deficit be cancelled. The hon. member is proposing that the same be done with the Canadian National debt. The CNR should be able to come before parliament with its annual report and let us know that it has made a \$41 million profit—if it is a profit—or has incurred a \$29 million deficit. This should be shown in such a way that we would know it was a deficit. The people of Canada are quite prepared to pay a deficit of that kind for the service the railway is giving. On that basis, I would support the hon. member's amendment.

As responsible members of this House can we afford to delay this bill for six months? In answer, I point out that the bill covers the period from January 1, 1969, to June 30, 1970, so a six month's hoist will not make any difference. In fact, I think the hon. member should have proposed a longer period than six months, because actually the bill gives the government a blank cheque for any deficit that Air Canada or the CNR wants to incur.

As members of Parliament, we should be able to discover how a deficit of \$29 million was incurred. We have faith in the directors of the Canadian National Railways, but we should know on what particular items the deficit was incurred. Actually, as I see it, the bill is misleading, and I will return to that point in a few moments.

What prompted me to speak on Bill C-7 was an article which appeared in my local newspaper, the *Swift Current Sun*, of November 28. The headline is very alarming, and reads "Prospects of Western Separation Increasing". The reference is to a speech made by the Liberal Premier of the province of Saskatchewan, and I quote:

Premier Ross Thatcher said today Ottawa's proposed tax reforms and increases in freight rates for potash and pulp are contributing to a growing awareness of the prospect of western separation.

This is the second time within ten days that I have mentioned western separation in the House of Commons. On November 24, when speaking on the Customs Tariff, I mentioned that there is a movement afoot in western