

*CNR and Air Canada*

moving from western Canada to eastern Canada? A rate such as that automatically hinders the development of primary and secondary industry in western Canada.

There is the old argument that the rates were set in 1921 when the demarkation line was the boundary between Saskatchewan and Manitoba. That was used as a guide in the setting of freight rates back in 1921, the theory being that it was cheaper to move goods to Vancouver by water so the rates were set accordingly. Certainly, under the present system, it is cheaper to move goods from eastern Canada to Vancouver than to Calgary. This hardly makes sense. It is cheaper to move goods to Calgary than to Medicine Hat from eastern Canada, and that hardly makes sense, because Medicine Hat is that much closer to eastern Canada and Calgary is closer to eastern Canada than Vancouver is; it is something like 800 miles closer.

• (1720)

**Mr. Benjamin:** That is free enterprise for you.

**Mr. Horner:** My learned socialist colleague suggests that is free enterprise. I suggest, no, that this situation has arisen from the decisions of an inadequate regulatory body and from the provisions of a poor piece of legislation, because one cannot prove that one is a captive shipper.

I can remember when the present incumbent of the Chair was a member of the transport committee, and I can remember the heated debates that took place at one time. Those debates made the debate in the previous session on Bill C-176 look like a pale shadow of the real thing. Many hon. members complained about the time we took to discuss Bill C-176 involving agriculture. I say that that debate did not take overly long, not when you remember that the debate on Bill C-237 of the previous parliament went on from January 9 to January 31, following the earlier debate on that bill which lasted from about November until Christmas of the previous year. Mr. Pickersgill said that the bill had to be passed because he had made some sort of commitment to the CPR.

Well, Mr. Speaker, we kept on talking and advocating changes. We made changes. We told the government of the day that the captive shipper clause was unsatisfactory and that paying the railways a subsidy equal to 80 per cent of their losses on certain routes would lead to the elimination of passenger service. All the railways need to do is prove they are losing money on passenger service and a subsidy will be provided. The more money they lose the greater will be the subsidy provided by the government. That is a poor formula, that is not private enterprise. The government set up a poor regulatory body and passed poor legislation. The railways deliberately downgraded their passenger services and increased their losses so that they could go before the board and ask for huge subsidies.

As I say, the greater was the loss, the greater was the subsidy that the railways could claim. This provision encouraged the railways not to provide the people with efficient or adequate transport facilities. There must be changes. I have talked to friends in the Canadian Transport Commission—

**Mr. Benjamin:** Friends!

[Mr. Horner.]

**Mr. Horner:** Yes, I have one or two. They tell me the government would like to bring back that transport act and make some changes. I urge the government to bring the act back as quickly as possible. Let it introduce a bill in the present session, before the next election, because our transport system needs help. We, on this side of the House, will do our best to change that law, so that the railways will be encouraged to provide adequate service and fair freight rates across Canada, not freight rates that discourage the development of primary and secondary industries in certain areas.

I will close on that note. I urge the government to bring that piece of legislation back and, on my side, we will do our best to remedy the errors made in 1967 when we originally passed that legislation. I was particularly interested in the remarks of the hon. member for Bruce. He condemned the operation of the Transport Act, because the railways now need not answer to the government or, in essence, to parliament. We should alter the law and, in principle, make them answer to this place. The Minister of Transport who is responsible for our transport system cannot forever attempt to hide behind the Canadian Transport Commission and say, "I cannot do anything about freight rates; you will have to talk to the Transport Commission." There are three test cases now before the Transport Commission, and no decision has been handed down. I again urge the government to bring back that legislation. We, on this side, will put our heads together and suggest changes which will benefit all Canada.

**Mr. Steven E. Paproski (Edmonton Centre):** Mr. Speaker, I am pleased to take part in this debate. It is always nice to follow my hon. friend, the hon. member for Crowfoot (Mr. Horner). It is very difficult to do so, also. This routine bill which is to authorize for the government owned Canadian National Railways capital expenditures totalling \$219,800,000 for 1971 and another \$83 million on July 1, 1972, and which is also to authorize government loans to Air Canada in the period from January 1, 1971 to June 30, 1972 for the purpose of helping that organization pay its debts, really gives us the opportunity to say to the people of Canada, and particularly to the people of my constituency, that the CNR has one thing only in mind: the public be damned. Do you know, Mr. Speaker, that the railway employees have absolutely no control over their own pension plan; that the three union officers on the CNR pension board are not employees of the CNR, are not covered by the employees' pension plan and therefore cannot be accepted as representing the interest of all the employees of the CNR; that the four officers of the company on the CNR pension board are appointed by the board of directors of the CNR and do not represent the interest of the employees? Let me also say that Alberta has no representation on the Canadian National Railways board of directors. How shameful that is.

Do you know, Mr. Speaker, that the chairman of the CNR pension board is appointed by the CNR board of directors from among the four officers of the company on the CNR pension board and does not represent the interest of the employees; that even this non-employee pension plan representative has no power over the decisions of the employee pension plan; that this pension board, completely controlled, as it is by the CNR can only make recom-