

*Canadian National Railways and Air Canada*

when laws are drawn up they often contain inequities with respect to isolated individual circumstances and far too often the response is that nothing can be done because the law is the law. I am delighted that my minister is not responding in that way.

I also agree with the NDP member who indicated that this kind of question is very important. He said that when an injustice is done to one person, to a thousand people or indeed to a million, the number involved does not make any difference but the injustice itself must be corrected. My minister subscribes to that view. Hon. members can rest assured that the kind of question brought to our attention in this motion and in representations from others will certainly be taken into account and legislation will be introduced to correct the matter.

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

**Mr. Speaker:** The hour appointed for the consideration of private members' business having expired I do now leave the chair.

At six o'clock the House took recess.

**AFTER RECESS**

The House resumed at 8 p.m.

**GOVERNMENT ORDERS**

[English]

**CANADIAN NATIONAL RAILWAYS AND AIR CANADA****PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES**

The House resumed consideration of Bill C-5, an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, as reported (with amendments) from the Standing Committee on Transport and Communications.

**Mr. Stan Schellenberger (Wetaskiwin):** Mr. Speaker, I was interested tonight to see that the Minister of Finance (Mr. Turner) and myself were the first in the chamber. I thought for a moment that we would be discussing this bill in its entirety by ourselves. After the speech of the hon. member for Trinity (Mr. Hellyer), I suspect that the Minister of Finance is already getting tired of red keys.

Today we have before us Bill C-5, an act to authorize the provision of moneys to meet certain capital expenditures of the CN system and Air Canada. I had the opportunity to speak on the bill when it was Bill C-164. It has now returned to the House as Bill C-5. The amendments having to do with the deletion of \$5.5 million to be spent on hotels and \$8.8 million to be spent on the CN tower will be voted on, as well as some amendments having to do with the directors and executive officers. On January 8, 1974, I said the following:

I have no trouble in supporting these two amendments. Even though  
[Mr. Cafik.]

CNR has been traditionally involved in hotels, I believe these amendments point out that parliament is concerned about the diversification of the CNR into these many facets. The CNR should have to borrow the money for hotels, TV in hotels and tourist attractions in Toronto from other sources.

During that speech I made reference to the Hotel MacDonald and some of the things I considered were problems of concern to management. Lo and behold, a couple of months ago I had the opportunity of being at the Hotel MacDonald at a convention, and I was not let down. We were supposed to check into the hotel at two o'clock, but most of the guests were lined up until well after eight o'clock before any of them got into their rooms. I say that as an aside and an illustration of many experiences hon. members have had with many CN hotels.

I should now like to refer to the *Minutes of Proceedings and Evidence* of the Standing Committee on Transport and Communications at page 29:9, where the hon. member for Vegreville (Mr. Mazankowski) referred to a consulting firm and said:

This particular consulting firm is doing a tremendous amount of work out of the country. Surely, Mr. Chairman, if the operations of the CN hotel chain are less than profitable, perhaps the committee should go on record as recommending that the hotel engage the services of CANAC to study the hotel operations with a view to upgrading them.

I thought this was an excellent idea. The hon. member went on to say:

The MacDonald Hotel in Edmonton is situated in a prime location in a very active city. It only generated a profit of \$15,000 in 1971, \$30,000 in 1972, so there is something obviously wrong.

I might add that there is some \$8.3 million invested in that hotel so obviously there is something wrong. The hon. member further said:

We, as members, should certainly draw this to the attention of the CNR and to the public.

The hon. member for Crowfoot (Mr. Horner), the chairman of the committee, said:

Mr. Mazankowski, you are an astute businessman and you know that in certain years, expenditures have to be made to renovate, to overhaul, and to modernize your business premises. I think that is what is happening to the MacDonald Hotel now. I know that the enlargement of the hotel will greatly enhance its profitability picture and I expect a better profit picture from the MacDonald Hotel next year.

The following is the point that was made to which I should particularly like to refer. The hon. member for Vegreville then said:

Mr. Chairman, any good business will generate its own capital to renovate its premises.

● (2010)

The main concern of the CNR should be the improvement of rail transportation, not hotels and real estate. While such mundane considerations as rail safety and improved grain transportation do not equal the CNR tower in glamour and prestige, they are nevertheless of paramount importance.

This bill provides for CNR expenditures on rail property, branch lines, new equipment, etc. This brings me to the comments I wish to make regarding expenditures for 1972-73 and beyond 1974. If you will bear with me, Mr. Speaker, I would argue that we can use this money elsewhere. I suggest that we could use it for boxcars, hopper