

Supply

Talking about government funded, billion dollar, high speed, government run rail corridors ensures more of the same. Why are the Bloc and the government afraid to pass it on to those better suited and able to run a railroad?

If private investors were given annual funding to the tune of \$330 million, as VIA will receive this year, do we really think they would squander it on high salaries for their executives? Why is VIA receiving these kinds of grants and still losing money while cutting routes and service?

Speaking of management, in 1992 CN cut 10,000 jobs and lost \$1 billion. That same year CP applied for abandonment of all lines east of Sherbrooke. Just where are we going? Do we know? Eventually the Reform Party could see the government abandoning its stake in CN Rail by turning it over to private investors. Governments should no longer be in the business of directly subsidizing our national transport system.

The government is unwilling to admit its policy flaws and clings to the good old days of decades ago where throwing money at a problem was solving it. In reality we have no rail policy and a debt ridden CN Rail still at the trough.

However the Reform Party feels that government cannot simply abandon its financial stake in the transport industry without having the sense to recognize how much revision needs to be enacted to bring transport legislation into the 1990s. Present legislation harshly though unofficially penalizes the rail industry through the present federal tax structure. It behoves the government, particularly the Minister of Transport, to rewrite rail policy, clear up the anomalies, and set a strategy in place to allow investors to enter the arena with clear parameters.

To encourage and support this new policy regime, the Reform Party suggests the following measures. First, we would encourage through tax reforms and low interest loans the development of short line rail operators in regions of the country where major rail companies are no longer viable or willing to provide the amount of capital needed to recreate a viable rail transportation industry.

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Second, we would negotiate the reform of the provincial component of the property and fuel tax structure for both main and secondary rail operators to bring these costs more into line with their U.S. counterparts.

Third, we would formally recognize through federal tax reform the environmental safety and infrastructure benefits provided by rail transport as opposed to modes such as long haul trucking.

Finally, in relation to the last point, we need a thorough and fair revision in the overall taxation structure for the nation's trucking industry to bring it more fairly into line with the costs now being incurred by rail companies.

Currently the government gives with one hand and takes with the other. Since taking power last year the government has done an inadequate job of protecting Canada's rail industry. It is mired in the past with no clear vision or policy direction. Unlike the Bloc, we feel there should be less and not more public participation. Governments should set guidelines and step out of the way. Right now no one is pleased with the situation and the rail industry is suffering as a consequence.

In the 1860s we completed our rail link to the Pacific. In the late 1930s and 1940s we tied the country together in transcontinental air flight. In the 1960s we completed the trans-Canada highway system. Let not these statements of vision, courage and capacity be diminished by a lack of coherent rail policy in the 1990s.

The Acting Speaker (Mr. Kilger): I failed to ask the member for clarification at the beginning of his intervention. Is he going to be splitting his time with his colleague? He used 10 minutes and I do not know if he is subject to five minutes of questions or comments or 10.

If it is the wish of the Reform Party I will recognize the member for Lisgar—Marquette for the remaining 10 minutes. Before I recognize him there will be five minutes of questions and comments.

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, I have one question for the hon. member.

Some time ago a company called the Great Canadian Railtour Company in British Columbia purchased from VIA Rail, an operation known as the Rocky Mountaineer. After it was purchased, VIA Rail, a government crown corporation, then tried to go back on the deal in a number of ways: by manipulating the contract, by reinterpreting the contract and then later, trying to introduce a competitive service on an adjacent line. All of this was against the spirit if not the letter of the contract.

This would be a concern for people who may be looking at purchasing a privatized CN Rail or a portion of it. We would have to look at actions of the minister under such things as the Pearson contract.

In this situation Canadian businesses put together and signed a contract with the government which the government cancelled, as is its right. We are not questioning that right but rather the entire mechanism where the government tried to introduce legislation that would ban it from going to court seeking redress, whatever proper redress might be.