

year, the CNR comes to Parliament asking for a refinancing of the debt. The money they receive is not for capitalization but to maintain the status quo. I am sure that now is a good time to find out exactly what our transportation system is doing and what the role of CNR is in the country. I am sure that the various departments which are trying to assist areas of Canada, other than major urban areas, will be interested to discover what the railways can do, and what is the cost of operating them.

If we look at the profits made by U.S. railroads, by railroads in Europe and railroads throughout the entire world, we find that they are notoriously low. In the case of the CNR, we find that they are able to make a profit of \$41 million, in spite of which they end up with a \$29 million deficit simply because they are paying off a long term debt, the interest on which is \$70 million.

I suggest that the Minister of Finance (Mr. Benson) should stop trying to fool the people. Perhaps I am wrong in saying that he is fooling the people because I do not think he intends to do it. However, he is too damn lazy to clean up a mess that has been in existence for 40 to 50 years. All he has to do is to transfer the long term debt of the CNR to our national debt. This will enable us to judge the financial situation of the CNR in the proper way. It seems to me that no one is able to understand exactly how the CNR is financed. Even a Philadelphia lawyer would be hard pressed to understand it. However, were the Minister of Finance to transfer the CNR debt to the National debt, the payments would continue to be exactly the same but the debt would be owed by Canadians for a railway which they bought half a century ago. The CNR would then pay off only debts for things that happened yesterday on the Prince Albert line or on the CNR line at Cochrane. The CNR would not be able to attribute such losses to almost anything, including the inefficient operation of the railways.

Let us be honest with ourselves and let us be honest with the management of the CNR. Let us start operating the CNR on a year to year basis. I am not opposed to the CNR coming to the government asking them to finance the Great Slave Railway or asking them for money for an extension to a railway in Ungava or the Maritimes. I am not opposed to the railway asking for capitalization, because obviously they will have to justify their request before Parliament. But how can Parliament justify to the Canadian people the

Provision of Moneys to CNR and Air Canada payment of \$70 million in interest on a debt that I am sure no one living in Canada today remembers being incurred?

The CNR debt grows every year. Next year it will amount to \$2 billion, and the year after to \$2 billion 200 million. It will continue to grow, and as it grows the interest on the debt will continue to increase. Every year, the CNR will come back to Parliament asking for a refinancing.

I listened very carefully to the speech made by the hon. member for Cochrane (Mr. Stewart) the other day. I agree entirely with what he said about the operation of the railway as he said I would. But I think he and other western members would be less than fair—and the same would be true of everybody in the Maritimes—if they did not support my motion to kill the financing bill so that the government will be forced to come to parliament with a realistic and honest proposal.

My colleague here mentions that we should do something about the pensions as well. I suggest that those members who are interested in the pensions of CNR employees should know that the government will not be able to do anything about that so long as the railway faces the Canadian public with a \$29 million debt, even though it makes a yearly profit of \$41 million. So long as that debt, along with the interest of \$70 million a year, remains on the books of the CNR, I am sure the pensioners will suffer, as will the passengers and everyone else who uses that railway.

There are people here who are knowledgeable about finance, a field in which I am not too smart. However, I am knowledgeable enough about it to know that it is cheaper to carry that debt as part of our national debt than it is to carry it as a debt to be paid off by the CNR. I am sure I am smart enough to know that if the CNR is only covering normal deficits and normal capitalization loans, that is if it is only carrying its current debt, it will be easier to judge whether or not the CNR passenger service is a paying proposition.

I have heard some members say that this situation will allow the CNR and, more important, the CPR to use the debt as an excuse for obtaining subsidies in various fields and for justifying the need for them. At the same time, I suggest that we should not undertake a long term financing of Air Canada in the same manner. We should set up a better system for financing the great expansion of Air Canada, and the increased number of feeder lines and carriers on its