

*CNR and Air Canada*

countries which have been told, "Not only will we sell you grain, but we will see to it that it is delivered."

Every time these questions are raised the minister stands up and talks about some place called the port of Vancouver, as if that were the only community in British Columbia. He is the head of the Canadian Wheat Board. He is a member of a federal government party that in 1926 built, and a few years ago doubled the capacity of, owns, operates and runs a terminal grain elevator in the city of Prince Rupert, an elevator that is under-used, that has a capacity that is not used to the limit, that sits idle without ships available for it, without boxcars or grain available for it at certain times of the year, while the city of Vancouver and Vancouver harbour, right outside in English Bay, upwards of a dozen or more grain ships are sitting and waiting either to get into the elevators or waiting because there is not sufficient grain. The same government that gives that response about Vancouver being the only port through which it thinks it can ship grain, on behalf of the people of Canada owns a railroad that runs right into Prince Rupert and owns a terminal elevator as well—but it ignores its operation and use. That is not being Canadian. That is not being helpful to our economy. That is not trying to do things that are worth while. In fact, that is putting an obstacle in the way of progress, in the way of any worth while use of these facilities.

It took a tremendous amount of effort, through two successive governments and I don't know how many ministers of agriculture within the last 12 years, to move the Canadian government to duplicate and double the storage capacity of the elevator in Prince Rupert. If the government really wanted to do something valuable, helpful and worth while for the shipment and movement of grain, which in turn would be helpful to the prairie provinces, helpful to the farmers, helpful to our commitments to world markets, helpful to the railroad—the Canadian National, because it would be moving the grain—helpful to Prince Rupert and helpful to the people of Prince Rupert who would be working in the grain handling facilities there, the government itself should have been working three or four years ago to build additional elevators in Prince Rupert in order to help take the pressure off Vancouver, if that is where the difficulty, the bottleneck, really is. But as I say, Mr. Speaker, the Canadian National and the government seem to have a one-track mind when it comes to the question of doing anything valuable and worth while.

Now I would like to mention in a more broad and national sense one of the things we are concerned about and were concerned about previously, namely, the financial structure of the CNR. As I understand it, the CNR came into existence as a company that incorporated a number of privately-owned, and at that time privately-being-built railroads that had gone bankrupt. The Canadian government at the time of the setting up of the Canadian National said to the investors in those bankrupt railroads, "Never fear; we will bail you out. We will take over your lines. We will guarantee your investment even though the private corporation in which you invested has gone broke or bankrupt and in some cases has probably fleeced you as investors. We, on behalf of the Canadian taxpayers, will take you over, consolidate you all into one railroad and guarantee your investment, guarantee to pay

the bond interest and guarantee you won't lose your money."

I gather that one of the fundamental, principle points of the capitalist system concerns the question of risk capital. You risk your money in private ventures. You invest it, naturally in the hope that this will bring a return, but you take the risk that if the company you invest in goes bankrupt then that is too bad and you have lost your money. But the Canadian government at that time, and successive governments since then, did not really believe in that because they had friends amongst those investors, and governments of the time and ever since then have said to those old-time investors, "Never fear; we will dip into the taxpayers' pockets and we will guarantee your investment. We will guarantee to pay the interest on the money that you have put into these defunct and bankrupt railways." So we took them over and the result has been largely a millstone around the neck of the Canadian National in its financial structure.

Over the years, those original indebtednesses have been refinanced and other bonds issued until it is virtually impossible, without a fleet of chartered accountants going over the books, to find out what the original investment was and how much money was sucked out of the Canadian taxpayer who, through this system of government guaranteeing to those people—most of whom, I understand, were in England at that time—guaranteed that even though they had lost their money in a poor venture they, the Canadian taxpayers, would give it back to them. We went through all this a couple of years ago in trying to assess the financial position of the Canadian National when a similar bill was being dealt with. At that time we also went into extensive questioning about the Canadian National pension fund and the fact that that pension fund had millions of dollars in it of employees' contributions but is dominated by the Canadian National. The money in that fund is what the employees put into it, but it is Canadian National that decides what will happen to the fund.

We made some committee recommendations a few years ago about a couple of these items. Hon. members may wonder how that happened. One of the preludes to it was a CNR financing bill, as we loosely call it, that was before the House at the time. There was a deadline and a timetable, and speaking from memory it was December 31, 1969. Those of us who were interested in this denial of justice to CN employees of pension rights and pension contributions, and in the operations of the board, and those of us who were concerned about the ludicrous financial structure of the CN which makes it top heavy and always losing money, wanted to do something about it to see if it could be corrected. We engaged in a filibuster, that being the only mechanism with which to get any common sense through to the government of the day.

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On December 10, 1969, as a result of our continued efforts, though mostly because of that approaching deadline of the end of the year, the government agreed to refer to a parliamentary committee the financial structure of the CN and the operation of the pension fund. The Standing Committee on Transport and Communications examined these matters in some detail. The report dated Sep-

[Mr. Howard (Skeena.)]