

Provision of Moneys to CNR and Air Canada
ernment or the CTC the right to deny them to the rest of Canada.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, about a year ago the House passed the Canadian Transport Commission Act, and the House was pleased at that time to have a minister who knew as much as he did about the subject to pilot the legislation through the House. I remember the many complaints that were made about the transportation problems in Canada, and I recall his ability to answer each member and to indicate how the problems would be solved by the passage of the legislation.

For several days I have sat here listening to what might be called grievances raised by individual members, all of them interested in railway problems in general, which seem to have increased in severity rather than decreased. The same can be said with regard to Air Canada.

This legislation seeks to refinance the operations both of the CNR and Air Canada. In my opinion, we should vote against the legislation. I do not think we should be involved in the refinancing of the CNR. The government should be forced to do something to improve the financial status of the company. Most people in Canada think of the CNR as a crown corporation. I contend it is more a crown debt, certainly not a corporation of any description. We owe the CNR just as much money as they owe the country. The long term debt of the company in 1967 was \$1,840,712,000; it had grown in 1968 to \$1,919 million odd. If this legislation is passed, the long term debt of the CNR will pass the \$2 billion mark.

If I had \$2 billion, I doubt whether I would buy the CNR. I do not think there is an agency in Canada that would be interested in the CNR at the price of \$2 billion, particularly when one considers that its operating expenses for one year amount to approximately \$1 billion. Normally I do not agree with Social Credit theory. That party contends that this kind of debt can be wiped out. The premier of British Columbia found that the huge debt of the PGE, like the rolling stone that gathers no moss, was gathering no interest, and so he wiped out the debt. In other words, he took money out of one pocket and put it in another. We will never pay off perpetual bonds. Indeed, some of them are valued in pounds sterling, which goes back to the days when we were a colony.

It seems to me that if the members of this House believe that the Canadian National Railways is a crown corporation, then they

[Mr. Marshall.]

should do something to reduce the debt. The debt is actually a paper one, and as such should be written off. Certainly, it will not be paid off. Perhaps we will have to pay something to the owners of the former Grand Trunk Railway, though I would think they have already been paid off.

Just to show how stupid some people are—and only people in the revenue branch could be this stupid—last year the net income before interest on debt of the CNR was \$41 million. It made a net profit of \$29 million. The interest paid on the debt last year amounted to \$70,450,968. I should like to know to whom this money was paid and for what purpose. I assume that these figures are part of the national debt. We have budgeted for about \$6 billion and we are carrying \$2 billion of debt for one corporation. It is all right to say we have to pay this to run the CNR, as I believe we do, but how stupid can we get as members of Parliament? We continue to approve of this kind of financing. This situation is getting worse every year. The government says it wants to do something about inflation. This is a heck of a good place to start by doing something about this deficit amounting to \$70 million last year. This amounts to a transfer from one place to another, but it really serves no purpose.

• (5:40 p.m.)

Perhaps this deficit does serve a purpose by allowing the Canadian Pacific to set its rates. When the CNR is losing money it is allowed by the CPR to set rates. Since the rates are set on the basis of losing money, a greater subsidy is required. This situation reminds me of a time not long ago when I went in to a local, rather high-priced restaurant. I talked to several people I knew who were there having dinner and found I was the only one there paying for his meal. Everybody else was on an expense account. This meant I was paying for my meal and at least half the cost of another meal. We allow certain people to deduct their expenses from income tax. Not only was I paying for an extra half a meal, I was paying more than the meal I had was worth. If everybody had been paying for his own meal I would have paid \$3.50 instead of \$7.

Before I conclude my remarks I intend to propose an amendment to kill this bill. The House will then have to make some decision about it. Let me make it very clear that I do not oppose the CNR as a Crown corporation. This railway is a necessity in Canada and it will be for a number of years to come. We