

C.N.R. Securities

Pickersgill with respect to his role as minister of transport, on this issue he has been a complete flop. All he ever did was send letters or copies of *Hansard* to the president of the C.N.R.; there was no evidence of any pressure, any urging, no matter how hard we pressed the case in parliament.

I hope the new Minister of Transport is a little more aware of the seriousness of this problem and of the need for something to be done about it, especially in view of the fact that it seems appropriate for us to provide the C.N.R. with the sums of money mentioned in the resolution tonight. Like the hon. member for Saint John-Albert, I do not think it is necessary at this time to enter upon a lengthy debate in connection with transportation matters in view of the time we have spent on this whole subject during the last couple of years. Nevertheless, I do urge that the new minister give early consideration to this question. Better still, he should act on it with the least possible delay.

Mr. Harkness: I wish to speak briefly on one particular point in connection with this resolution. A similar bill was brought before the house during the last session; I believe the parliamentary secretary mentioned tonight that it dealt with expenditures for both 1965 and 1966. Upon examination of that bill it was apparent that more than three-quarters of the expenditure for which parliamentary approval was sought had already been made. Indeed, some of this money had been spent over a year before the bill was passed and most of the rest had been spent long before the measure was introduced.

Looking at this resolution it would seem that the first amount mentioned, namely the \$264,800,000 expenditure for the current year 1967, must also have been spent already since the calendar year is now three parts over.

● (9:30 p.m.)

The point I particularly wish to make is that this method of getting legislative authority for expenditure of the Canadian taxpayers' money after that money has actually been spent is contrary to our whole theory and practice of government financing. The ordinary practice which has to be followed by every department is that the minister responsible presents his estimates, they are approved by the house and the money is spent on the basis of the estimates. If expenditures go over the amount which has been approved by the house, then those expenditures cannot be made.

[Mr. Knowles.]

This method of financing the C.N.R. and Air Canada is not consistent with the general practice which is followed and which should be followed. When the bill was up for discussion last session we had a considerable amount of argument over this point but no satisfactory explanation of this method of doing business was given. On this occasion, I would hope that on second reading the minister, or the parliamentary secretary if it is he who is piloting the bill, will be prepared to give a reasonable explanation for the continuation of this particular practice.

Mr. O'Keefe: Mr. Chairman, as a representative of the province that brought not only Labrador to this Canada of ours but also a railway, I think the only province that did such a thing, may I register the strongest possible exception to the C.N.R. plan to abolish passenger services in Newfoundland and substitute bus services for them. We are told that a bus service would be better for us. We are told that train passenger service is uneconomic. May I ask where in Canada is train passenger service economic?

I asked Mr. MacMillan in the transport committee if any thought had been given to upgrading the passenger service in my province. I remember him saying that thought had been given to this. Then I asked him had any action been taken and he said no. Maybe at a later date I will have an opportunity to talk about this at greater length, but at the moment I wish to register the strongest objection to the C.N.R. abandoning passenger train service in my province, particularly during centennial year.

Resolution reported and concurred in.

Mr. MacEachen thereupon moved for leave to introduce Bill No. C-151, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1967 to the 30th day of June, 1968, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Motion agreed to and bill read the first time.

SUPPLY

The house in committee of supply, Mr. Tardif in the chair.

The Assistant Deputy Chairman: Order; house again in committee of supply, vote 1 of the estimates of the Department of Veterans Affairs. This item will be found at page 572 of the bluebook, with the details at page 574.