

CN fund bid a 'horror show,' says Blenkarn

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A bid by the Canadian National Railway to obtain an additional \$5.6 million to finance expansion of its hotel operations, is a "disgrace," according to Mississauga MP Don Blenkarn.

In an April 1 speech during Commons debate on Bill C-5, a measure to provide funds for capital expenditures by Air Canada and CN, Blenkarn sharply attacked CN's record in hotel administration.

"The activities of this railroad over the past many years has been a horror show," he said, noting that in 1972, CN had "a return of less than one per cent on (its) capital investment. "Canadian Pacific," he added, "has a return of 5.7 per cent after taxes in the management of its hotels."

He cited the case of the Hotel Bessborough in Saskatoon as "a horror story that is almost as bad as the story of the Bonaventure."

He said the CN-owned Bessborough is in the main business section of Saskatoon on "a glorious site," but it lost \$400,000 in 1971 and an additional \$400,000 in 1972. "Then," he continued, "in 1972 we spent \$214,000 on renovating the hotel."

Finally, he said, the hotel was sold by the directors of the railroad for \$1.6 million to a promoter "who low-balled them, by his own admission."

Blenkarn also attacked the construction of the CN Tower in Toronto, calling it "economic idiocy."

"Do we need to use public

money to build what are clearly speculative ventures, that have nothing to do with transportation, and are just for the glory of the directors of the Canadian National?" he asked.

The Mississauga MP has moved six amendments to the bill to reduce and control further public financing of CN and Air Canada.