

Committee on Railways and Shipping

Then a little later on, following a question regarding the name which had not yet been decided and the probable opening date, the hon. member for Peterborough (Mr. Fraser) asked the following question:

Is it to be all your development?

Mr. Gordon: That is the intention.

Mr. Fraser (Peterborough): All the way through?

Mr. Gordon: Yes.

Subsequently, following a question asked by the hon. member for Greenwood (Mr. Macdonnell) about the inadequacy of convention facilities in Montreal:

Mr. Gordon: They are very inadequate and that is demonstrated by the fact that we already have received a great number of inquiries from organizations which have not been able to hold their conventions in Montreal by reason of their size.

Later, on the same subject:

Mr. Gordon: We have received inquiries, at this date, from 31 organizations all of which hold conventions. I think the interest being shown in the hotel long before we have begun at the site would indicate that we should not expect to have much trouble once the erection of the hotel takes place.

Just one further quotation, Mr. Speaker, regarding the plan to set up one corporation which would own and operate all the Canadian National Railway hotels:

Mr. Gordon: We will not organize the hotel company to be a complete operating company in all respects. Certain administrative services will be provided to the hotel company by the railway.

It seems to me that the principal service provided so far has been to sell the operation of the hotel down the river to the Hilton corporation. Certainly we have had no other factual data or indication in this house. However the quotations I have put on the record make certain facts clear. First, the new hotel was presented as something which would be operated on the same basis as the existing hotels. Second, it was indicated that on such a basis it would be a satisfactory business venture. Third, no indication was given that the operation would be conducted by an outside organization. Fourth, the presentation made to the committee indicated no need to call in an outside organization to operate the hotel, since it was indicated that it would be a satisfactory operation under existing circumstances.

It seems to me that policy has changed drastically since that point, and I think we must look to the government for an explanation of that fact. Tracing what the public might know about this project, for the benefit of the railway committee, the next development took place on November 15, 1954, when a general statement was issued by Mr. Gordon and Mr. Hilton announcing that the Queen Elizabeth would be managed by the Hilton hotel group. This was the first intimation

hon. members of this house received that the hotel was not going to be operated by the Canadian National Railways itself; we read it in the newspapers. It was the last and only piece of authoritative information this house has been able to garner to date.

Under the guise of enabling the C.N.R. to operate its day to day business without interference, repeated questions in the house on this subject and repeated requests for information have met with a blank and stubborn refusal to give any more information. This point was extremely well traced by the hon. member for Prince Albert, so I shall not labour it. However, I wish to put on record the interesting fact that other organizations and the Hilton corporation itself find it unnecessary to throw what I have described as a hot air curtain around their operations, and secrete facts within themselves.

I turn to one paragraph in *Business Week* of April 11, 1953, referring to an hotel which is to be constructed at Havana, Cuba at a cost of approximately \$10 million, in conjunction with a local labour union there. The paragraph states as follows:

The retirement fund of the union (with a bank loan to help) will finance the hotel and get two-thirds of the gross when it's operating; Hilton will lease, manage, and supply working capital in return for one-third of the take.

There is the financial information in connection with that particular operation, the division of the profits and everything else. Yet, Mr. Speaker, these gentlemen sit over there on the treasury benches and say, "We will not tell you anything about this matter because it is not in the public interest."

I realize, Mr. Speaker, that there perhaps must be some reservations in dealing with the C.N.R. in order to keep its competitive position free and on an equal basis with that of other railways in Canada, but I just cannot see that certain particular aspects of its policy and certain of its major policy decisions should be kept secret when they represent matters of urgent public interest to the people of Canada, and when there is no competitive reason for so keeping them secret. Particularly, Mr. Speaker, I see no reason why they should be kept secret when a 15-year contract is involved and millions of dollars are at stake.

We will turn over to the Hilton corporation a \$20 million hotel. It is indicated that we shall be putting up an additional \$5 million in furnishings. It is an immense operation. For example, it has almost three times the value of the Chateau Laurier. Yet we cannot find out anything about it. This is not an operating matter. When you take \$25 million of quasi-public funds and put them into an