

C.N.R. Securities

opening up this job and then accepting it. It is amusing to remember that when he left his position in the house he gave the impression that: "The changes and reforms in the Department of Transport and in the railways are now complete; my job is done; there is nothing left for me to do and so I shall go to greener fields."

I asked the former minister of national defence what he thought he would do, and he said: "I shall probably be a candidate at the next Liberal convention. I want a real challenge. I want a department that is all messed up, and where there is something for me to do."

Some hon. Members: Oh, oh.

Mr. Bell (Saint John-Albert): There is also the story that the former minister of national defence, having wiped out the navy—and some of us said something about this in a previous debate—learned that there were more ships in the Department of Transport, and so he decided that he had better get over to that department.

Some hon. Members: Hear, hear.

Mr. Bell (Saint John-Albert): Whether he unifies or disintegrates the department remains to be seen.

Mr. Byrne: Does the hon. member want a skipper?

Mr. Bell (Saint John-Albert): We shall watch the changes which take place. Quite apart from personalities, though, one thing does worry me. A very active partisan politician, for whom many in the house have high respect, has been made head of a tribunal which is of a semijudicial nature. This tribunal will deal, day by day, with political problems in transportation throughout this country. I do not agree with this sort of appointment as a matter of principle, and I wish to register my objection this evening.

I do not intend to make extensive remarks about the financing of the Canadian National and Air Canada, as contained in this resolution. For many years we have heard that the Canadian National ought to be recapitalized. Attention to this matter has been paid in committee, but nothing concrete as yet has been forthcoming.

For some time I have felt that it would be proper for the Canadian National and Air Canada to make public their balance sheets so that a comparison can be made between

[Mr. Bell (Saint John-Albert).]

them and their competitors. Canadian National officials have always said that they want full control of their own financial structure. My interest in the Canadian National and its recapitalization has changed. I know that there are two aspects that must be considered. First, there are the unprofitable services that the Canadian National is called on to perform and, second, there is the old debt structure that was brought into being by the unprofitable railway lines and by the depreciation methods that were used in the 1940's. Though not all unprofitable services have been eliminated, they will be looked after by Bill C-231 when it becomes law in this country. The remaining problem has to do with the old debt structure. Whether it is proper for the Canadian National to wipe it out, at some expense to the Canadian taxpayer so that that railway can give a different impression vis-à-vis the Canadian Pacific, I do not know.

The Canadian National has reduced its deficit by \$9 million during this past full year. The deficit is only—and I say "only" advisedly—\$24 million. It is predicted that by 1970 a profit will be shown. I do not know whether it is better to show a profit every year or for a slight deficit to hang over the heads of the officials, to stir them to greater economies and greater efficiency.

An hon. Member: And greater effort.

Mr. Bell (Saint John-Albert): Yes, and greater effort. The other matter I shall deal with is Air Canada. In this resolution we are being asked for a greater amount than ever before, if my information is correct, to meet the financial requirements of Air Canada. These requirements are brought about by the great expense of the new Boeings, Douglasses, and supersonic transports. Personally, I feel that there should be some accounting by Air Canada officials before a committee. I do not suggest that Air Canada be made a public corporation. It ought to be owned by the government. It might be appropriate to set up a separate bookkeeping system so that we might get a truer, up-to-date picture than we now have and so that we might compare it with Canadian Pacific Airlines now that the two air lines are in competition.

We must look back to the days of the late C. D. Howe for the explanation of why Air Canada was tied to the Canadian National. The reasons were valid then.

If an investigation were conducted by someone in the department, and by accountants or