

*C.N.R. Financing and Guarantee Bill*

respect to this bill that demand some explanation on the part of the government. Those matters have to do with the desire of the opposition to separate the accounting procedures with respect to Air Canada from those with respect to the Canadian National. Failure to separate accounting procedures lies at the root of many problems that we are experiencing from year to year. As the amount of money that is involved in funding with respect to Air Canada and the C.N.R. grows, so grows the responsibility of the government for greater and more detailed disclosure of accounting procedures. I say that, because the Canadian people ought to have some idea of what is happening to their money.

I wish it to be understood that until the matter I have raised is rectified, members of parliament who represent constituencies in the Atlantic provinces will not be satisfied that all is well with the accounting procedures of the C.N.R. I say this because of the serious situation that has recently arisen in Atlantic Canada. Matters dealing with accounting procedures which have come before the house on numerous occasions have not received adequate consideration in the house. I am talking about disclosure of revenues, costs, financing and so on with respect to the C.N.R.

Private carriers are competing with the Canadian National Railways and with Air Canada. There is a great need, therefore, for the government to make full disclosure of financing methods with respect to those two entities. The government must fulfil its responsibilities. Manufacturers of secondary commodities in the maritimes are greatly concerned about proposed changes in freight rate structures, which may impair their economic well-being. They feel that the new structures are being imposed and that the accounting system under which the C.N.R. operates is not being disclosed for public scrutiny.

Air Canada, too, must disclose its financing methods. That body is in direct competition with other private carriers. It can take the voluntary step of disclosing the information I think it ought to disclose, or steps may be taken in this house to force that disclosure. The railways, also, might volunteer to disclose the information that I think it is incumbent upon them to disclose.

The necessity for such disclosure arises, I submit, because of the serious consequences that face secondary and primary producers in the Atlantic provinces. Our manufacturers

[Mr. Forrestall.]

are at a disadvantage in competing with other manufacturers, unless they know the accounting methods of the C.N.R. Another argument for disclosure is that the Canadian public has no concept of where its money is going; and it ought to know. The public does not know whether current Air Canada and C.N.R. financing methods are in line with practices that are accepted by government and industry.

It is wrong in principle for the C.N.R. and Air Canada to refuse to disclose their accounting procedures. Already we have seen the consequences of certain hidden procedures which the C.N.R. and other government agencies adopted. Those consequences became apparent when we discussed the Canadian Transport Commission, and the operations of the railways in central and western Canada. The Crownstee agreement is an outstanding example of what I have in mind. The failure to disclose has equally serious consequences for eastern Canada, and particularly the maritime provinces. Our primary and secondary producers must know how they stand with the mammoth crown agency known as the C.N.R.

To emphasize my point that it is wrong in principle not to disclose Air Canada accounting methods, it must be remembered that Air Canada now spends about a quarter of a billion dollars in its annual operations. Most of that money is spent for capital purposes, operating expenditures and so on. I submit that members of the House of Commons and the people of Canada have the right to know how that tremendous amount of money is spent, and what accounting procedures are adopted with respect to it. I do not suggest that there is anything wrong with the expenditures or that there is anything misleading in the way they have been presented to us. Nevertheless, it is wrong not to disclose accounting methods.

Though it may be difficult to bring before the house, estimates with respect to the two entities of which I have spoken, I think the government has an obligation to show how the money is spent and to which part of each operation varying amounts of money are allocated. For example, how much money does the Canadian National, in co-operation with the Canadian Pacific, spend in the telecommunications set-up? How much public money competes with money from the private sector in the operation of that set-up?

● (9:00 p.m.)

Parliament can exercise control over its expenditure only on the basis of disclosure.