

Canadian National Railways

bills which would enable Air Canada to borrow \$130 million either directly from Her Majesty or by means of a guaranteed public issue. The amount subject to this option does not include the amount of \$75 million which it would borrow from Canadian National Railways.

Seventh, the bill would provide for the appointment of the firm of Touche, Ross, Bailey and Smart of the cities of Toronto and Montreal, chartered accountants, as auditor of Canadian National Railways for the calendar year 1969.

Finally, I would point out that the present bill makes no provision for enlargement of Canadian National Railways authority to refinance, which at present stands at \$680 million and is considered adequate for the period covered by the bill. I would commend to the members of the committee the passage of this resolution.

Mr. Nesbitt: Mr. Chairman, when this resolution is presented to the house it gives hon. members on all sides the opportunity to deal with very many aspects of railroading and air transportation. At this time I would like to touch very briefly on two problems which I think come under the purview of this bill. I will leave other matters to a more appropriate occasion when the estimates are before the house.

● (12 noon)

I am glad that one or two ministers other than the minister responsible are in the house, because some of my remarks will of necessity relate to the administration of other departments, particularly the Department of National Revenue. In this regard I am glad to see the Minister of National Revenue in the house.

Perhaps I might digress briefly. It is the understanding of hon. members that the minister will be hospitalized in the near future to undergo an operation. May I take this opportunity on behalf of all hon. members, I am sure, of wishing him well.

The first of the two items I want to deal with at this time during the general discussion at the resolution stage of the proposed bill relates to the presidency of Air Canada. The resolution before us outlines the large sums of money being requested by Air Canada; yet at the present time this corporation has no president. Air Canada has been operating for quite some time without a president, and the rumour factory in this regard around Ottawa and elsewhere has been

[Mr. Gray.]

exceptionally busy. We hear on the one hand that this job is going to be divided into two parts or, like Gaul, into three parts, or maybe even four. I do not like to mention names so I shall not do so but we hear rumours that certain backroom politicians from Toronto will get preferment. We also hear that another from Montreal will get one of the positions in this divided presidency.

Mr. Baldwin: Are there still some who have not got jobs?

Mr. Nesbitt: As my house leader suggests, are there still some who have not got jobs? Perhaps that is what the government intends to correct. In any event I wish the government would decide what it is going to do and appoint somebody. Air Canada is facing a number of important long range decisions which have to be made soon, but the corporation at present is much like a large aircraft circling over Kennedy airport, not able to land. The government must make some decision.

The most often heard rumour is that the presidency of Air Canada is to be divided into two parts. Apparently there is to be a chairman of the board and a president. It is rumoured that the chairman of the board will be that prominent and able man from the city of Montreal, Mr. Saulnier. He is a man with great capacity and capability. We also hear that the executive vice president of Air Canada, Mr. Seagrim, is being considered for the position of president. Whatever the government is going to do apparently has not been decided.

There are two things I am sure the government must be considering. If someone is to be parachuted in as head of Air Canada the government must remember that the individual might be very capable in another field but not able to deal with many of the technical problems that face the administration of Air Canada. We have seen far too many examples of this type of thing. Many people are very successful in certain fields but when they are elected to this house it becomes obvious they are not capable here. We have seen people do very well here in the house but when they left they have not done so well in other positions.

It must be very discouraging for those people who are making a lifetime career with Air Canada to observe a practice of appointing politicians or friends of politicians to the top positions in Air Canada. These people may perhaps be eminent executives from