

member from Prince Edward Island. His speeches always reach climaxes that move me to the point I sometimes lose the thread of his remarks. In answer, I shall attempt to limit myself strictly to the issue of the territories occupied by Israel, which I am sure the hon. member will not resent. I shall not therefore deal in any way with the matter of Syria, Lebanon or every complex problem that may or should be connected with the Middle East problem.

[English]

The position of the Canadian government with respect to settlement of the occupied territories by Israel is inherent in our full support for United Nations Security Council Resolution 242 of November 22, 1967. This resolution calls *inter alia* for withdrawal of Israeli armed forces from territories occupied in the 1967 War. Canada therefore does not condone any step which unilaterally attempts to alter the status of the occupied territories. Canada's full support for Resolution 242, including Israeli withdrawal from occupied territories, has been made clear to the Israeli authorities on numerous occasions, most notably during the visit of the Secretary of State for External Affairs (Mr. MacEachen) to Israel in January. At that time the Secretary of State for External Affairs discussed frankly with the Israeli authorities the question of the establishment by Israel of settlements in the occupied territories.

AIR CANADA—ALLEGED INTENTION TO MOVE FINANCE BRANCH FROM WINNIPEG—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on April 13 of this year I put a question to the Minister of Transport (Mr. Lang) with regard to Air Canada's finance branch in Winnipeg. I said we had a great fear that the corporation is now plotting to phase out the finance branch there and move it into Quebec. The minister assured me at that time that Air Canada had no intention of phasing out the finance branch in Winnipeg. Mr. Speaker, I can assure the House that they are gradually phasing it out, that this work is being distributed all across Canada. The employees are sitting there in the finance branch doing nothing, or very little. There is no reason at all for this phasing out of the finance branch.

Today, I raised the question of the huge debt Air Canada is facing this year. At the end of April the net loss amounted to \$14,474,000.29. I also drew attention today, by way of a motion which was turned down by the Liberals, to the need for a complete investigation of the Air Canada finance branch.

I have suggested a number of times that the government despatch the Auditor General to Winnipeg to find out what is going on and to establish proper accounting procedures. This should be done immediately. I can give an example of one case where Air Canada wrote off a debt of \$186,000. This involved a firm called Electronics Associates of Canada. This Toronto firm ran up a bill amounting to \$186,000 and Air Canada wiped it off.

Mr. Paproski: Shame!

Mr. McKenzie: Hon. members can see that we need to send somebody in there to find out what is going on, not this ridiculous phasing out of the branch and the spreading of its work across Canada.

Adjournment Debate

Last week the hon. member for Central Nova (Mr. MacKay) and myself raised the question of longstanding improper billing practices by Canadian travel agents. I pointed out that no controls are enforced any longer on the reporting of ticket sales by these agents, and as of October, 1975, Air Canada had in excess of \$96,000 unreported travel agent ticket sales representing a minimum of \$2,208,000 unpaid for transportation. The minister assured us he would be glad to see what stage the work had reached.

● (2210)

I should also like to ask the parliamentary secretary tonight whether the minister would make inquiries at the same time and request that Air Canada give a full report as to why the bankrupt firm of Electronic Associates Canada Limited of Toronto was allowed to run up a bill of \$186,000 for air travel before they were cut off, why Air Canada allowed the bill to reach this amount, and why the whole account has been written off.

In addition, Mr. Speaker, this particular firm had in their hands 75 credit cards. I do not even know whether the 75 credit cards have all been picked up and taken away from these people. According to the latest information I have, this account could reach a debit of a quarter of a million dollars. This is why I am calling for the third time for the Auditor General to be dispatched to do an immediate audit in the Air Canada finance branch, instead of our listening to silly statements from the Prime Minister (Mr. Trudeau) and the Minister of Transport (Mr. Lang) saying that we should not be running a Crown corporation from the floor of the House of Commons. If Air Canada were being run properly we would not have to bring this subject up on the floor of the House of Commons.

To add insult to injury, Air Canada states that they are going to ask for a fare increase. I have already written to Mr. Benson, head of the CTC, and requested that he allow no fare increase. If there are any hearings held in regard to an Air Canada fare increase, I can assure the House that I shall be there fighting to stop any such increase.

Air Canada is also breaking IATA rules and regulations. They have issued bar vouchers for Tours Mount Royal, of Quebec, to the tune of \$27,384. All that Air Canada collected from this travel agent was \$9,445; they wrote off \$17,938. Under IATA rules and regulations this is illegal. This is another matter the Auditor General should look at.

I have before me a letter from Harveys of Bristol (Overseas) Limited of London, England, complaining to Air Canada that they are persisting in paying the incorrect amount. In this particular case Air Canada has always overpaid the amount. They also give another list of accounts that are not even being paid. This has been going on for months and months. I mentioned in the House about a couple of months ago that Air Canada are going to have their fuel and gas cut off at their offices at the Heathrow airport if they do not get their accounting system straightened out.

This is what it is costing us to contract this work out from the Air Canada finance branch while its employees are sitting in the branch doing nothing. I have before me one account from Accountemps of Vancouver, B.C., dated May 5, for \$7,873 for contracting work out. They are paying the employees of this company \$6 an hour to do this kind