

Canadian National Railways

National, nor did the press release indicate the long range plans of the Canadian National.

In fairness to Mr. Gordon, the president, I should indicate to the minister that I have written him today. The press release just came to my attention over the week end. I have written to Mr. Gordon inquiring about the expenditure of \$5 million and the proportion. But I was wondering, since this matter has come before the committee, whether the Minister of Finance is in a position to indicate what proportion of the \$5 million was spent in acquiring these five trucking lines?

Mr. Fleming (Eglinton): No. Just today I received a copy of the release issued by Canadian National Railways in connection with the acquisition of these lines.

Mr. Chevrier: All members of the committee received the letter.

Mr. Benidickson: Mine was not signed but I received it.

Mr. Fleming (Eglinton): Then I do not need to delay the committee by referring to the contents of this press release in relation to the acquisition of four trucking firms and the acquisition of an option on the fifth. The purpose of the Canadian National system in acquiring these trucking lines was indicated in the release.

Mr. Benidickson: The Minister of Finance was rather scolding the members of this committee which, I thought, worked fairly diligently under a rather heavy handicap of three or four meetings a day. He scolded the committee for not asking for the budget of Trans-Canada Air Lines which he suggests was available if asked for. If it was not asked for at the last sittings of the committee, the committee was perhaps exhausted. I have no doubt that the minister is well aware of all these items. In this larger assembly of the committee of the whole of the House of Commons perhaps he might indicate what the budget of Trans-Canada Air Lines would have disclosed if we had been smarter and had asked for it. He perhaps has it. I should like to know now, belatedly, what the budget disclosed for Trans-Canada Air Lines with regard to a profit or loss in 1960.

The Chairman: Shall clause 3 carry?

Some hon. Members: Carried.

Mr. Benidickson: No, Mr. Chairman. When the minister saw fit to cast these aspersions upon the diligence of the committee I am sure he must be well informed on this point.

Mr. Fleming (Eglinton): I have not brought that budget to this committee, Mr. Chairman.

[Mr. Drysdale.]

If the hon. member wishes further information in detail on it, I will obtain it for him. So far as Trans-Canada Air Lines are concerned, we are dealing here with the capital requirements and the financing requirements they are making on Canadian National Railways. I have given the detailed information in that respect. If the hon. member wishes to go further and to ask with regard to the detailed operations of Trans-Canada Air Lines, I will obtain for him what information he indicates he wishes to have and will send it to him.

Mr. Benidickson: That is not the point, Mr. Chairman. We are asked here for the substantial sum of \$86 million for capital expenditures related to Trans-Canada Air Lines, and I think all of us would want to know how that would be reflected upon the earnings position of this subsidiary of Canadian National Railways. I think it is fairly obvious to all members of the committee that the minister does not know. He apparently has not asked, before he asks the House of Commons to pass this bill, just how this will be translated into profit or loss with respect to Trans-Canada Air Lines. However, he gratuitously decided to say that the committee had been careless in not asking for this information when they had an opportunity to do so last March.

Mr. Fleming (Eglinton): Of course the hon. gentleman is quite wrong. The capital budget of Trans-Canada Air Lines, which is the only budget of Trans-Canada Air Lines upon which the Minister of Finance is called upon to pass, as I thought the hon. member was well aware, shows the following: application of funds, property and equipment, \$83,485,000; refinancing of loans—these are loans by the C.N.R.—\$4 million; increased materials and supplies, \$10,015,000; or a total of \$97,500,000. The source of the funds is as follows: net income, nil, as I pointed out earlier; depreciation provision, \$15,150,000. Deducting that sum from the earlier sum of \$97,500,000, we have the requirement of \$82,350,000 to be financed through Canadian National Railways and that is the amount appearing in clause 3 (1)(a).

Mr. Benidickson: The minister has indicated that the net income for Trans-Canada Air Lines is reported to him as nil. I am sure he must have made inquiry beyond that point. It is not just nil. There perhaps is a deficit. If there is a deficit, how much is expected in 1960 and how will it be provided for? Will it be done by the parent company, namely Canadian National Railways? Will we be obliged to provide for it in a clause in a bill similar to this one in a subsequent session or will it be provided