

C.N.R. Financing and Guarantee Bill

years with regard to items in the estimates which are legislative in nature while those estimates were being considered in committee of the whole.

I believe those were the main points raised by hon. members opposite and I am putting forward these explanations now in order to facilitate the passage of the bill.

Mr. Thomas M. Bell (Saint John-Albert): In an effort to be helpful we have checked over here and we find there is some agreement—I am certainly not speaking for everybody—that this is a routine measure and that there is little change, if any, from what has been done in other years. It has been customary to allow second reading without extended debate.

I wish to say quickly, though, that there are some on this side who are experiencing problems which they might have raised on this occasion, but they are willing to wait for the debate on the budget or some other occasion before doing so. As I said yesterday, we are not happy with the changes in the ministry. But I will leave it at that for the moment.

If the minister would look up the proceedings, he would find there was some agreement that Air Canada should be given a fully separate status, independent of the C.N.R. I know there have been full bookkeeping disclosures and proper balance sheets issued. What appeared in *Hansard* was misunderstood. I am merely of the opinion that in these days when the company is dealing in hundreds of millions of dollars and is in direct competition with C.P.A., it should produce a full balance sheet comparable in every respect to that of the C.P.A. That was my point.

I might add that provided no other questions arise I am willing to agree to second reading of this bill, and I say this as an indication of our co-operation.

Hon. D. S. Harkness (Calgary North): I raised my objections last night to the present method of providing legislative approval for expenditures which are, in effect, government expenditures, because in my opinion it is a wrong approach. Nothing the minister has said this evening has changed my views in that regard.

I have brought this matter up in previous years; I did not raise it yesterday for the first time. I had hoped that this method of financing the C.N.R. and Air Canada would have been changed by now so as to bring it into

line with the normal method of government financing. In every other case where government expenditures are made an estimate is put before the House of Commons and authority for the expenditure is sought. After all, the primary job of the House of Commons is to grant money to Her Majesty for public purposes. But here is a case in which the House of Commons is being asked to grant money to Her Majesty for public purposes after it has been spent. The government comes to the House of Commons and says: Air Canada has spent so much—in this case, \$264,800,000—for capital purposes and we want you to give authority for having spent the money.

This is wrong in principle. I do not say there is anything wrong as far as the expenditures themselves are concerned, but I think it is wrong that this anomaly should continue. The minister told us it would be difficult to bring in estimates applicable to these expenditures. But the bulk of these expenditures has been made for capital purposes and in acquiring investments in affiliated companies. A list appears on page 2 of the bill—road property, \$79 million; branch lines, \$13 million; equipment, \$85 million; telecommunications, \$14 million; hotels, \$4 million; Air Canada, \$67 million. Surely, there would be no difficulty about producing an estimate of what was required for hotels, branch lines equipment, and so on and bringing it before parliament in the same way as any other government expenditure is brought before parliament with a request for authority to spend money up to the sum provided. I suggest strongly to the minister that this should be the last year in which things are done as they are being done today. In future we should be presented with the estimate of the C.N.R. and Air Canada in the same way as the estimates of other departments and branches are presented, and parliamentary approval secured before the expenditure has been made.

This is the only way in which parliament can exercise control over the expenditures of government branches, that is to say by limiting the amount which can be spent for specific purposes. This is what parliamentary control of the purse means. If there is no such control over these crown corporations then, in essence, there is no control over their expenditures.

Mr. Norman Fawcett (Nickel Belt): I do not intend to take up much time but as a former employee of the C.N.R. and as one who still