

*Committee on Railways and Shipping*

knows, it is the practice to refer to this committee for consideration the annual reports and budgets of the Canadian National Railways, Canadian National (West Indies) Steamships, Trans-Canada Air Lines, the reports of the auditors and certain items of the estimates. I think all hon. members are in agreement that this committee serves an extremely useful and valuable purpose. It affords to them the opportunity of reviewing in detail the operations of the railway, of the steamship company, and of Trans-Canada Air Lines, and of putting questions to the officers of these organizations concerning their respective operations.

In these circumstances, I believe I should not make any further remarks, but I should simply ask that the motion be adopted, so that the committee may proceed to carry out its duties.

**Mr. J. M. Macdonnell (Greenwood):** I shall try to copy the admirable example of the minister, Mr. Speaker, though I do not know that I shall get as high marks for brevity as he deserves. Needless to say the work of this committee is very important. I feel that this year it is more important than ever because of the stormy weather into which the railway business has run. After all, the assets of Canadian National total some \$3 billion, and if we were able to have anything approximating an earning on that amount, it would be a matter of real significance in our economy.

If we go back to the year 1943, we find that the railway earned, that is in operating revenue, \$116 million. After payment of taxes and interest there was still \$35 million as against a deficit this year of \$28 million. But with regard to that I shall have something to say later on.

Before doing so however I wish to digress for a moment to look at the background of this committee, because I think it is interesting, not only in itself, but also interesting as throwing some light on a question we have had up several times recently in this chamber, as to what information it is proper to give in the House of Commons, and what information cannot properly be given.

It so happens that in 1921, just after the railway had been set up, there was a debate—a very interesting one—in which remarks were made that I think are illuminating, and from which I should like to quote briefly today. They seem to me to go to the very point we have discussed here more than once.

First of all I wish to quote from an amendment moved by the then leader of the opposition, the Right Hon. Mackenzie King, with relation to the production of papers. It states:

Subject to the reservation that in exceptional cases there may be documents of a confidential [Mr. Marler.]

character which, in the public interest, may properly be withheld from publication, the house declares that it is the undoubted right of parliament to demand and receive copies of all reports, accounts, correspondence and papers in relation to the management of every department of the public service including the affairs of the Canadian National Railways, whether operating directly under the control of the department, or under corporate form.

Now, it is relevant to read a short extract from Mr. King's speech to show the background of the words used in his amendment. I should remind the house that this was moved very shortly after the Canadian National Railways had been set up. Hon. members will recall that this railway system resulted from the putting together of several railways which previously had been operating separately.

Mr. Mackenzie King permitted himself on that occasion to say this, as reported at page 1179 of *Hansard*:

The impression that the public entertains today in a word is this: that the government has constituted a board of directors, nominees of its own, friends of its own, gentlemen who have connections with other large industrial enterprises, and has left them a perfectly free hand to use this vast railway system of Canada as a great instrument for furthering business interests in which the country may be interested, but in which they themselves may also be interested. In other words, the fact that parliament is denied a full and free knowledge of every fact surrounding the situation, is leading to the impression throughout the country that our national railways are being converted into a gigantic political machine for the purpose of furthering the interests of the government and its friends. Now, sir, there is only one cure for that impression, there is only one way in which the impression can be removed, and that is by the government giving to parliament the fullest information with respect to any questions which hon. members care to address to the ministry in regard to the national railways.

In reply to that Mr. Meighen, the then prime minister, had something to say. In an endeavour to look at both sides of the question he said, as reported at page 1182 of *Hansard* for March 22, 1921:

I think it will be obvious that if the Canadian National directorate are to be compelled to answer to resolutions, which by the dozen may be put upon the order paper of this house every day, calling for copies of correspondence, for the disclosure of every fact and of every deed connected with the operation of the road, they will be put under a disability that their great competitor is not under at all. Should we do that they might well say: You shackle us in the management of the road; you refuse to give us that latitude and freedom of management that every successful business must have; you therefore will have to take the responsibility of failure—we do not.

Realizing that matter was not a simple one, Mr. Meighen went on to say:

I am quite aware that there is to be said from the other standpoint much that is plausible and much that is more or less difficult to answer. I know that it is a fact that the board of directors of the Canadian National Railways are dealing