

tant for the Minister to inquire about the operation of this floating drydock in order to ascertain precisely how much cash flow is being generated by NTCL while operating the drydock over the last four years.

Regarding conflict of interest, why is it that this Crown corporation is operating without any guidelines or direct accountability to its shareholders, the people of Canada? I have information which shows that upper management and middle management officers of NTCL own shares in a private company which is in direct competition with NTCL and marine transportation in the North. In fact, a superintendent for NTCL operations and contracts is a member of the board of directors of the company as well as a shareholder.

Is it the policy of this Government to allow senior management people who are employed with taxpayers' dollars, despite their positions within a Crown corporation, to invest in a competing company? If it were in the private sector, they would be down the road so fast it would make their heads spin.

Accountability is an important issue with regard to Crown corporations. They should not be privileged creatures free of the exigencies of private business environment, yet protected from public scrutiny. The Minister, through the privilege of the office entrusted to him, is the representative of the majority of shareholders of NTCL, the people of Canada. Therefore, it falls upon his shoulders to guarantee that the companies are efficiently and effectively managed to best serve the public interest and not just private ambition. The Auditor General has stated this over and over again in his recent reports. He did so just recently in a speech wherein he suggested that the political officers of this country, Members of Parliament, ought to look into this.

**Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue):** Mr. Speaker, I am pleased to have this opportunity to respond to the comments of the hon. gentleman opposite on the subject of the Northern Transportation Company Ltd. I can assure you, Mr. Speaker, that we are satisfied that NTCL is well managed and carries out its business in a safe, efficient manner. I would like to go over some of the general points made by the Hon. Member in order to demonstrate the secure foundation for our confidence in NTCL.

The Hon. Member questions the management practices of the company. I remind him that the management now in place has taken NTCL from a position in 1975 before recapitalization in which it lost over \$5 million, with a \$2.5 million net deficit in shareholders' equity, to a position at the end of 1982

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in which the company earned \$4.7 million on revenue of \$47.5 million and had shareholders' equity of \$35 million. Retained earnings at the end of 1982 were more than \$9 million. Furthermore, while accomplishing this feat the company continued to provide the high quality customer service for which it is justly renowned. The management of NTCL should be complimented for the success it has achieved.

The Hon. Member questioned the safety record of NTCL. I can assure him that the company has an enviable safety record. NTCL has a full safety program for its employees, including comprehensive training in the handling of hazardous materials. The company's record in preventing industrial accidents, oil spills and other safety-related incidents is one of which it and we can be proud. Not prepared to rest on its laurels, NTCL is continuing to improve its safety-related procedures and training.

The Hon. Member raised the issue of NTCL's accounting practices. I am surprised at his suggestion, particularly in view of the fact that NTCL's auditors are Deloitte Haskins and Sells, a respected firm of chartered accountants in Edmonton. That firm, which has been involved in the audit of NTCL accounts for several years, reported favourably in NTCL's 1982 annual report. In addition, the Hon. Member might not be aware that NTCL was the subject, several years ago, of a comprehensive audit by the Auditor General and Deloitte Haskins and Sells. I am happy to report that the Auditor General gave NTCL a clean bill of health in his report of March 31, 1982.

● (1830)

The final point raised by the Hon. Member relates to a purported conflict of interest involving company officers. No director, corporate officer, or manager of Northern Transportation Company Ltd. is a director of Arctic Offshore Ltd. There is a second line supervisory employee, working at NTCL's Hay River marine maintenance base, who is currently a director of that company. This employee has no control or influence over the awarding of NTCL business, or over solicitation of business or relations with NTCL customers.

I trust I have been able to reassure you, Mr. Speaker, and the Hon. Member, that our confidence in NTCL and the way in which it carries on business is well founded.

**Mr. Deputy Speaker:** A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 6.31 p.m. the House adjourned, without question put, pursuant to Standing Order.