

time before I became minister and they were in midstream before I became actively involved in them—was that if a place was served by a United States air line that line would have priority, and if it was served by a Canadian line that Canadian line would have priority; but wherever there was enough traffic for both a Canadian and a United States line, in general the desire was to provide for what is usually called double tracking.

When the negotiations were almost completed a deadlock developed over the question of whether a United States line would be allowed to fly from Chicago to Montreal in competition with a route that was to have been reserved exclusively for Air Canada, and whether a Canadian line would fly direct from Winnipeg to Chicago. There was a real deadlock and it lasted for months. We indicated to the Americans that we were prepared to conclude the agreement on either one of two terms—either they would withdraw their request for an American line between Montreal and Chicago or, alternatively, they would agree to our having a flight from Winnipeg to Chicago.

Financially the Montreal-Chicago monopoly for Air Canada is considerably more valuable than any value that could reasonably have been placed on the Winnipeg-Chicago route. Therefore I thought, and I believe all the Canadian negotiators thought, that if the deadlock was broken at all it would be broken by the Americans conceding the Winnipeg-Chicago route. No one was more surprised than I when to the contrary, the Americans withdrew their request for Montreal-Chicago. We had given them the alternative and, having given it, we either had to have no agreement at all, or make the agreement.

The agreement, of course, does provide for a direct service by the American line from Winnipeg to Minneapolis, which has not existed in the past, and if the prospects of traffic in Winnipeg are anything like what most of us believe they will be, I think our case is going to be irresistible at the next run. But we had reached the conclusion that otherwise we could get no agreement at all, and, notwithstanding what some people have said, I think the balance of advantage on the bilateral is pretty even between the two countries and it is going to provide a very considerable benefit to the users in both countries.

*Supply—Transport*

As I say, we were faced with a very awkward position. It was particularly unpleasant for me because I had really hoped very sincerely that we were going to get this Winnipeg-Chicago flight, and I believe in time we are going to get it. After he has had more experience here I do not really think the hon. member for Winnipeg South will find that there is any deliberate attempt on the part of this government, or that there would be on the part of any other government, to ignore Winnipeg, or any other part of Canada. But this particular government, although we represent various provinces, has three or four Winnipeggers in it who are all pretty sentimental about Manitoba and it certainly has no hostility to Manitoba or to Winnipeg.

In his maiden speech the hon. member for Port Arthur made a very thoughtful and enlightened presentation of the railway problem as it looks to people in Northern Ontario. I am sure that in Northern Ontario, where I understand many of the roads are still rather rudimentary, the railway bulks even larger as a form of transport than it does on the prairies. But here again we will have a chance to go into this question when the C.P.R. is before the committee.

The hon. member for Moose Mountain discussed the railway problem in a very moderate and reasonable fashion, and he again will have his chance in the committee.

• (9:50 p.m.)

The hon. member for Vancouver Quadra, the hon. member for Coast-Capilano and, more recently, the hon. member for Burnaby-Richmond all discussed the problems of the port of Vancouver. My hon. friend the Minister of Northern Affairs and National Resources is going to carry me out to Vancouver bodily one of these days and keep me there until I have undertaken to do all the things that are necessary to improve that port, which is rapidly becoming one of the greatest ports in the whole world.

The hon. member for Kindersley spoke about the C.P.R. and about the Saskatoon television station. I will pass on what he said in that regard to my colleague, the Secretary of State.

I can assure the hon. member for Pictou that I will deal with all the points he made and will be in touch with him about them. We had a little exchange across the floor of the house. We understand one another pretty well anyway.