

The Address—Mr. St. Laurent

before that public body to secure the kind of rates that will give them a reasonable return on their invested capital. That has been the experience, and I think it was quite unfortunate that there were, for example, between Montreal and Toronto, three competing lines of railways established for passenger service at a time when there was not enough passenger traffic to make it profitable even for the old line that existed and provided that service.

That is the spirit in which we have approached this problem. We do agree that competition is a good thing—that competition which will be apt to produce better service for the public and better facilities for the public; but we are not of opinion that competition in the exploitation of franchises for the service of the public is advisable; when it is merely apt to produce a duplication of expensive facilities that then have to be taken into account in fixing rates.

In connection with our railway service in Canada, the Canadian Pacific Railway has had to be recognized as the yardstick for the fixing of rates because our country is growing, and its growth requires the expansion of services. The expansion of services requires the attraction of additional capital, and before the board of transport commissioners the Canadian Pacific Railway constantly makes the claim that its situation has to be considered, and it has to have rates that will enable it to earn a return that will in turn make it possible for it to attract additional capital to provide the expansion required by the development of the country.

That is the situation that we got into by that fact of competing lines for services that had been established. Well, now at the outset, when air transport was envisaged, I believe this parliament unanimously applauded the policy set out that the transcontinental service was going to be reserved, until it got firmly established, for the Trans-Canada Air Lines, which were not supposed to operate on a profit-making basis, but to provide as good a service as could be provided at rates which would not be unreasonable for the users of that service.

Well, now, a report was prepared by the air transport board which we considered with considerable care. The situation was such that the Canadian Pacific Air Lines, being a surface carrier, could not be granted a licence unless the government expressed an opinion that it was in the public interest that it obtain that licence. We did not just step into the picture of our own initiative; we stepped into the picture because the act passed by

this parliament requires an expression of opinion from the governor in council every time there is an application to the air transport board for a licence on behalf of a surface carrier.

The matter seemed to us to be one of great importance, and instead of being satisfied with the report that we got from the air transport board and with the study that each of us made of the voluminous oral and documentary evidence that had come before the air transport board, we decided that we would invite the officers and the representatives of the Canadian Pacific Air Lines and the Trans-Canada Air Lines to come before us and to summarize their reasons pro and con the application that had been submitted so that we might be sure that we were not overlooking any of the arguments that could be raised either for or against what would have amounted to a major change in government policy, if the application had been granted.

Those were the concluding words of the report we got from the air transport board.

Mr. Green: May I ask a question? Can the report of the air transport board be made available to hon. members?

Mr. St. Laurent: Yes; it has been made public. It was annexed to the news release as soon as the order in council was passed. I refer to the news release which contained the order in council and the report upon which the order in council was based.

Mr. Green: Has it been tabled?

Mr. St. Laurent: No; it has not been tabled.

Mr. Green: Can it be tabled?

Mr. St. Laurent: Yes, it can be. I think it is mimeographed. If hon. members desire to have it printed it can be printed, but we can make a mimeographed copy of the report available almost immediately. The report concludes with the words: "This would mean a major change in government policy". Before making a government change in policy we give the facts very careful consideration, and we did. For two days we heard the officers and counsel for these two air servicing companies, and we considered the representations that had been made to us. It was established that there had never been any lack of air cargo service for any air cargo offered.

Of course it was suggested that if there had been scheduled overnight air service between Montreal and Vancouver and Vancouver and Montreal there might be even more air cargo offering than had been offered. We heard T.C.A. tell us how they had planned to perform this service of the