

*Supply—Industry*

future of this country. I spoke about that in my preliminary remarks.

I would direct the minister's attention to page 132 of the Thompson Commission report, which repeats a statement made by the Prime Minister of Canada at the Dominion-Provincial Conference held in 1965. I quote, and these are his words:

I would like first to refer to the economic items on the agenda. The first of these is concerned with regional problems. The federal government is well aware that the course of economic development in the various regions of Canada has been uneven. This has resulted in unequal opportunities for people in different parts of the country . . . Regional inequalities clearly mean that it is not enough to have policies designed to maintain a high rate of growth for Canada taken as a whole. We must also have policies to develop the full potential of all parts of Canada. Historically, regional inequalities have been the main divisive forces in our country and many national policies have therefore been directed toward overcoming such inequality. Changing circumstances require adaptations in the form of such policies but in no way lessen the importance of the objective . . . They must take into account the special needs of the individual regions. If all Canadians are to benefit as they should from economic growth we cannot rely entirely upon such general instruments as fiscal policy, monetary policy, and commercial policy. They have to be supplemented by more selective measures to achieve particular goals.

The Minister of Industry and of Defence Production is the person responsible for getting governmental approval to supplement fiscal policy, monetary policy and commercial policy by more selective measures to achieve particular goals. Indeed the Minister occupies a very challenging position.

One or two years ago I raised objections with regard to splitting up the Department of Trade and Commerce. Now, however, that split is an accomplished fact. It is now up to the minister to produce results. I think perhaps that he has able men on the staff to work with him. My words there apply to general policy. Let us apply the general policy to the particular situation in the city of Winnipeg, in the province of Manitoba, as outlined by the Thompson report dealing with the overhaul and maintenance base of Air Canada in that city and in that province. I suggest to the minister that he need not read the whole report. The portions I want to deal with are largely to be found from page 119 to 133.

● (4:20 p.m.)

The Minister of Transport has responsibility in this house to report on behalf of Air Canada. He is the one who tabled the report

and who gave the evasive replies on it yesterday, and to a certain extent today. I presume the Minister of Transport will say that this is the third report the government has received with regard to Air Canada, and consequently it will accept the suggestion of Air Canada that its operations with regard to overhaul and maintenance be confined to the one base at Dorval and that, over a period of a few years, the other base in the city of Winnipeg will be discontinued. I assume the minister will adopt that attitude, although this morning I had hoped he would take a different view and give us a policy statement.

I am not going to deal in any detail with the Thompson report which has come out against the retention of the overhaul and maintenance base in Winnipeg. Mr. Thompson had a specific investigation to make. He has now made his finding, and on economic grounds he reaffirms what earlier investigations had pointed out, that it is cheaper to operate the one base at Dorval than to have two, with the second at Winnipeg.

My only regret during the course of this rather long drawn-out controversy over the Winnipeg base is that in 1957 we did not have a distinct statement with regard to Air Canada's position, a statement which we subsequently received in 1962 and to which Mr. Thompson draws attention. It was only from 1962 on that it became clearly evident that it was the intention of the management of Air Canada to shift the base from Winnipeg to Dorval.

When I became apprised of what was going on I considered, and continue to hold the opinion, that the case having been clearly made out that it is uneconomic for Air Canada to support two bases, then the decision rests with the government as a matter of policy, based on the Prime Minister's statement which I have just read with regard to regional development and the economic progress of Canada.

It would be quite unfair to ask Air Canada to operate at a loss because of a decision made by government. If the government makes a decision which would cause that crown corporation to operate at a loss, then the loss should be borne by the people of Canada rather than by the corporation itself. That is the attitude I have taken for several years on this matter.

This is an instance where the government should say to Air Canada, "We would prefer that you would sustain more than one base in this country, but if economic surveys indicate