

That sort of thing was a wasteful misuse of resources and manpower and certainly did not help the financial position of the railways involved.

I am sure you will agree that it is desirable to prevent similar abuses in commercial aviation. That is one reason the Air Transport Board was formed. The Board is there to help the industry to develop along sound economic lines which will give fair returns to the operators and an adequate service to the public.

Later this week the Cabinet will be hearing representatives from the two largest airlines and the Cabinet is hearing those representatives because the decision to be taken is one of major importance.

The decision that my colleagues and I will make, will have to be made with these two principles in mind: First of all we will try to decide what is best for the public, whether or not from now on the public can be served better by two competing lines, not just for a short period but indefinitely. And secondly, our decision will be based on what will be the best for the industry itself. We will endeavour to determine whether or not there is enough business in sight for two lines to serve the public at reasonable rates and with reasonable profit. Surely it would not be in the interests of either line to permit a situation where both would be forced to operate at a loss for years to come.

These are the factors which will govern our decision and we will try to make it without bias. It is not going to be regarded as a clash between a government-operated company and a private line.

If we are convinced that both the industry and the nation would be better served by granting another licence now then of course we will make that recommendation. If we feel that it would not be in the public interest nor in the interest of the industry to grant another licence at this time, then he will not recommend that one be granted.

Communications are not like corner-stores. The failure of an occasional corner-store in a community is unfortunate but it can make no appreciable difference to the national economy. But airlines like other transport facilities are the arteries through which the economic lifeblood of the country flows. Any operation performed on them may affect the well-being of the entire body. Therefore, our decision will have to be made with the greatest of care.

As you well know, that decision is apt to have broader implications than merely the settlement of the rival claims of two companies. Let me assure you that whichever way the decision goes now it will not in the long run be a decision in favour of the perpetuation of monopoly conditions. I have stated, many times, before representatives of other industries that the Government to which I belong believes that as a general rule the public can be best served under competitive conditions. And I believe that once the air transport industry is soundly established, the decisions to be made by any Canadian Government should be in favour of opportunities for competition.

And in view of the tremendous development of our resources that has been taking place, a development which shows no sign of relenting, the demands for the services of