

Trans-Canada Air Lines Act

and put himself in a position to attend to the business of the board.

It is not my affair any more but I would be sorry to see a return to the casual director who attended when it suited him, and who thought about the work of the railway only when he was attending meetings of the board. In the case of Trans-Canada Air Lines the position is somewhat analogous. We have directors who attend regularly and give a good deal of attention to the work of the board. Winnipeg has substantial T.C.A. installations. That city has felt that it should be represented. Perhaps another director not living in Montreal would also be helpful provided we select a man who really will attend to the business of the air line.

Mr. Macdonnell (Greenwood): I do not propose to labour the matter. I want to make one further comment. I was informed the other day of something I had not been aware of, that the directors of Canadian National Railways are geographically representative. The argument I made was that any ordinary commercial institution has a board of directors, I take it, for two reasons; first of all to bring in outside judgment and, second, to assist the company in getting business. I quite agree that outside men cannot be asked to attend meetings every week, but surely the answer to that is that the meetings could be much less frequent and they could have an executive committee, or what you will.

Mr. Green: Is it the intention to have a director from the west coast?

Mr. Howe: There has not been much thought given to who will be appointed as directors. A director from the west and a director from the east might be appointed. I do not know what the decision will be. We are simply making arrangements for two more directors, one of whom must be a member of the board of directors of the railway. Under the terms of the bill the majority of the board must be directors of the railway. The provision for nine will mean that one additional railway director will be appointed and one additional appointee of the government.

Mr. Green: I realize the difficulty the minister has mentioned in having directors from more distant parts of the country, but I think in the case of Trans-Canada Air Lines it would be very beneficial to have someone from the west coast. He could get here overnight. After all, conditions are quite different there. We are very much concerned with the success of Trans-Canada Air Lines and we would appreciate having a director from the west coast.

Mr. Howe: Consideration will be given to that requirement as well as to the requirements of other parts of Canada.

[Mr. Howe.]

Mr. Green: Can the minister say how many of the directors are in the government service at the present time?

Mr. Howe: None directly. Four of the directors are members of the board of directors of Canadian National Railways. One was previously a member of the civil service but he is now retired, and as far as I know has no other occupation except that of director of Trans-Canada Air Lines.

Mr. Macdonnell (Greenwood): Then would it be correct to say there are really no outside directors? Is that true at the moment? Are they all either directors of Canadian National or civil servants, present or retired?

Mr. Howe: No, that is not correct. It is a board of seven at the present time. Four are directors of Canadian National Railways. One is a retired civil servant and the two others have no association with the government.

Mr. Knowles: I wonder if this would not be an appropriate time for the minister to tell us whether or not there has been any change in government policy with respect to the role assigned by the government to Trans-Canada Air Lines. I have in mind in particular the speech which the minister made on March 17, 1944, when he dealt rather fully with civil aviation policy, both domestic and international. On that occasion the minister referred to a statement which the former prime minister, Mr. King, made on April 2, 1943. At that time Mr. King said, as found at page 1778 of *Hansard* for that date:

—Trans-Canada Air Lines will continue to operate all transcontinental systems, and such other services of a main-line character as may from time to time be designated by the government. Competition between air services over the same route will not be permitted whether between a publicly owned service and a privately owned service or between two privately owned services.

The Minister of Trade and Commerce, speaking on March 17, 1944, in his then capacity of minister of munitions and supply, said that the policy enunciated by Mr. King on April 2, 1943, still stood. During the course of his very interesting speech that day he referred to the difficulties this country had got into because of certain mistakes that had been made in the early days of the building of our railways, and insisted that in his view the best kind of air service for Canada would be to have it on a non-competitive and non-profit basis. As I say, he confirmed the position which the former prime minister had indicated, and made it clear that it was the intention of the government that all main-line services were to be operated by Trans-Canada Air Lines.

The minister pointed out on that occasion that back in 1936 or 1937 an offer had been