

Supply—Transport

the government of Canada designates a carrier for the trade between the United Kingdom and Canada.

Mr. Chevrier: I asked you in the house and you said it was necessary.

Mr. Balcer: No, I did not say that.

Mr. Chevrier: Yes, you did.

Mr. Balcer: The hon. gentleman further stated that the United Kingdom were not notified before we made the announcement. In fact, we did notify the United Kingdom of our intention. We gave them proper notice of our plan. Then again, the hon. gentleman talked about reports presented to the committee which considered the affairs of the C.N.R. and of the government-owned air line. If he would turn to the conclusions reached by that committee he will see that the committee stated in its report that no testimony was submitted which proved that competition was responsible for the deficits sustained by T.C.A.

According to the hon. gentleman, this matter should have been considered by the air transport board. Well, there is nothing in the act or in the regulations which says that overseas routes should be discussed before the air transport board. I agree that when we offer a domestic permit for an air line to travel over any route the board has authority to decide which air line should get it, and so forth. As to the accusation that this government is trying to destroy Trans-Canada Air Lines, nothing could be further from the truth. The impact on T.C.A. of this allocation of the northern route from western Canada to the United Kingdom will be somewhere between 1 per cent and 3½ per cent of its gross revenue.

The annual rate of growth of T.C.A. has been at a percentage much higher than this, that is between 10 and 15 per cent or more. This indicates that the impact on T.C.A. will be negligible although of course there will be a certain impact.

What C.P.A. is going after and is going to get is traffic coming from the northwestern United States, traffic coming from the Spokane area into Calgary, traffic from Australia, New Zealand and other Pacific islands, and traffic from British Columbia and Alberta destined for Amsterdam.

The ridiculous point has been that Canadian aircraft flying from western Canada have had to fly through the smoke and fog of London to Amsterdam where the passengers were required to board a foreign carrier to be flown back to London. This absurd situation will be remedied in this fashion. I am sure that C.P.A. will not hurt T.C.A. and knowing the management, crew and personnel of T.C.A. I am

confident they will continue to work hard joining with C.P.A. in competing with other world air lines, and that our two carriers will soon be out of their deficit situation which has been brought about mainly because of the change-over from conventional propeller aircraft to the new big jet liners.

Mr. Chevrier: I will not pursue the matter in detail. I have said what I wished to say and the minister has not convinced me to any degree by anything he has said. The minister knows that under the Aeronautics Act the responsibility of determining a matter of this kind rests with the cabinet but it is also the responsibility of the cabinet to obtain advice on matters of this nature. There is no better body from which to obtain such advice than the air transport board. That is why I suggested the minister should give some consideration to that.

The last time the estimates of the minister were before the house I dealt with another matter concerning which I wish to make a brief statement now. In the past I have taken considerable exception to the uncalled for and unexplained favouritism shown by the Minister of Mines and Technical Surveys, with the connivance of the Department of Transport, to Autair Helicopter Services Limited. This would be bad enough if Autair was a reputable concern but I have already said enough about the record of Autair including its accident record and insurance record to convince any reasonable person that this government should not have given a contract where the lives of public servants are in jeopardy. In doing so I stated incorrectly that the accidents took place on the polar continental shelf. I have since learned that the accidents took place in the northern part of Quebec. But surely it is the record of the accidents and not the particular place where the accidents occurred that is the relevant consideration. There is no doubt that the accidents did take place nor is there any doubt about the difficulties of this company with respect to its insurance.

Mr. Balcer: To set the matter straight let me say that the last time the estimates of my department were before the committee the hon. member for Laurier made a lengthy speech containing derogatory references to Autair and in which he blamed equally the Department of Transport and the Department of Mines and Technical Surveys. The questions the hon. member raised regarding Autair centred round a contract awarded to that company by another department of government and the safety record of the company. My own responsibility is limited to the regulations of the air transport board and the Department of Transport in