

*National Transportation Policy*

throughout the system, the callous disregard for the welfare of in transit passengers and the reduction of services in areas where there is no competition, all of which provides ample evidence that Air Canada has placed profits above service to the public. For example, the Air Canada international service out of Newfoundland is costly, inconvenient and totally unfair. International flights leave Newfoundland from one point only, Gander, on Monday, Wednesday, Thursday and Friday at the unreasonable time of 10.10 in the evening. If a person has to leave on a Saturday, for instance, he is forced to fly west to Halifax or Montreal to pick up an overseas flight. Thus, he is required to pay double the cost, because he flies over Newfoundland again.

A great many complaints have been made against Air Canada's inter-Canadian flights, especially the fact that in many instances it is possible to fly across the Atlantic for less than is charged to fly a similar distance in Canada. We have gone into this matter with Air Canada officials in committee, but as far as I am concerned we have never been given a satisfactory explanation of why it should cost a Canadian taxpayer more to fly in his own country than it does to fly overseas.

According to Mr. Yves Pratte, Chairman of the Board and Chief Executive Officer, the main problem is that the management of Air Canada does not know what the corporation's mission is in terms of service. Mr. Pratte appeared before the Transport Committee last spring. He was asked then to define Air Canada's role in relation to service to the public. At that time he said:

The basic problem is for the government to define the role and mission of Air Canada. If that is defined I am satisfied we can do the job. But it is not up to us to decide what our role is. We may have ideas, we may have suggestions, but the role of Air Canada should be defined by the government within the parameters of their over-all policy.

Following that statement by Mr. Pratte, the minister was asked questions on the matter in the House. As reported in the *Toronto Star* of June 28, 1971, he said:

We should like to give Air Canada a clear-cut mandate . . . but it is hard to be precise. I have been working on this for two years.

If that is not an indictment of the government for its lack of an over-all policy, I should like to hear some further explanation from the minister later.

What is the government's policy, if any? According to Mr. Dan Burtneck, legal counsel for the Province of Ontario, the federal government does not seem to have one. At a meeting of the Standing Committee on Transport and Communications on May 29, Mr. Burtneck said:

The government of Ontario believes the passenger transport system in Ontario and in Canada cannot be developed on an ad hoc basis. It is our position that the future requirements for passenger transportation demand a co-ordinated approach to the supply of these facilities. We believe that until those requirements for a minimum passenger network have been determined, it is illogical to hear any applications for discontinuance. We further believe such an inquiry must be related to a co-ordinated study of the interrelationships of various other modes of available passenger transport.

I repeat that it is the responsibility of the federal government to supply the co-ordinated approach to transportation referred to by Mr. Burtneck. Unfortunately, there does not seem to be any definitive policy worth mention-

[Mr. Thomas (Moncton).]

ing for Air Canada or for any other mode of transport either separately or in combination. Many times in this House as well as outside the House, we have asked for a clear cut delineation of the government's regional air carrier policy. To my knowledge that statement has not been forthcoming. We still find regions, such as the Atlantic area and parts of western Canada, where Air Canada has a virtual monopoly of services. Regional carriers are prepared to supplement these services, but under this government's policy—or lack of policy—they are not allowed to supply these supplementary services.

• (1510)

It seems as if the decision-making powers with regard to quality and quantity of Canadian transportation rest solely with the companies involved and provincial or municipal governments. Decision-making powers are diffused and transportation services, whether owned by the Canadian public as in the case of Air Canada and Canadian National Railways, or owned by private sources as in the case of CPR and various trucking companies, seem to be vying with one another to determine which will make the most profit at the expense of the Canadian taxpayer. The result has been increased trucking rates, shipping rates, passenger rates, freight rates, again at the expense of the taxpayer.

I am not one to deny the railways and transportation companies the right to raise their rates to meet increased expenses brought on by new labour agreements and increased costs. But I do say that it is up to the government to develop a policy that will enable the railways to pay these increased costs and remain competitive, if necessary providing essential public services that are subsidized by the public treasury, as promised by Mr. Pickersgill and as outlined in the preamble to the National Transportation Act.

This principle may be difficult for this government to grasp, because its transportation policy seems to be geared largely to the profit motive. For example, when an application is made under the act, to discontinue passenger services, the frequency of passenger train services in any one day and the timing of that service is not subject to any control by the Canadian Transportation Commission unless it decides to take the initiative and order a certain frequency of service. In addition to that, as I have pointed out many times it is almost impossible to obtain a subsidy for a specific service unless you apply for total abandonment of the service. Again the emphasis is on profitability, as determined by profit and loss statements prepared by the railway's cost accountants—and there has been a great deal of criticism as to the validity of these statements—rather than on the social effects and hardships that will be caused by abandonment of passenger service. In short, not only has the federal government failed to develop a transportation policy of any consequence; it has also managed severely to compromise the little policy it has.

Transportation problems are becoming so critical that if they are not solved soon, and with a view to future requirements, they may become not only difficult to solve but impossible. Pollution and urban growth statistics bear this out. In Canada's major cities the car is responsible for about 60 per cent of the air pollution. The hon. member