

If a subsidy had not been paid on the route, northern New Brunswick would be better served today. Because the subsidy was paid, the system was never rationalized. I cite this as an example. One could point to many other examples to show how subsidies provided to airlines and railways and other modes of transport have not been of benefit. Because the subsidy was paid, nobody made an effort to rationalize the system and make it profitable.

Mr. Benjamin: None of them is profitable.

Mr. Breau: With respect, some are profitable.

Mr. Benjamin: Name one.

Mr. Breau: Does the hon. member mean air routes? If the hon. member would do his homework and read Air Canada's annual report, he would see that some routes are profitable.

Mr. Benjamin: Does the airline pay for its share of airport use?

Mr. Breau: Most of the airports in the maritimes, Moncton, Saint John, Halifax and others, pay for themselves.

Mr. Benjamin: With respect, they do not.

Mr. Breau: Most direct flights from those airports to Montreal pay for themselves.

An hon. Member: How about Mirabel?

Mr. Breau: If the hon. member would do some homework, read those reports and not look for political slogans, he would see that I am correct.

An hon. Member: Tell us about Mirabel.

Mr. Breau: An hon. member mentioned Mirabel. Surely he knows Mirabel is not in the maritime provinces; obviously he does not.

I think it is the duty of the Minister of Transport to make sure this country's transport system is rationalized. I encourage him to do so, support him, and urge him again to consider the matter of Montreal-Ottawa air service. Air Canada is subsidizing this route with more profitable routes. I know fares were increased and frequency of flights reduced. But I think more should be done. If Air Canada were to consult with a bus company I am sure it could provide pretty well as good a service, at much less cost. I suggest it should make a deal with a bus company, whereby the bus company would transport passengers from Montreal to Ottawa, and between other points as well.

● (2050)

A lot of the arguments we hear about transportation do not make much sense. They are merely made to embarrass the government because members know what the government is trying to do is very difficult. There are groups in society, in the case of railroads the unions, which are powerful. They have influence. I understand why they want to maintain railroad

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service. However, the taxpayers of Canada cannot afford to provide a railroad service because it suits the unions.

Mr. Benjamin: The unions never said that. That is a dumb statement.

Mr. Breau: At certain times the taxpayers of Canada have to invest money in the transportation system, and they should. In a country like Canada we must maintain a basic service from coast to coast. However, the taxpayer should be assured that the service is rational and the money is not being wasted.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I welcome the opportunity to speak on this motion presented by the hon. member for Dartmouth-Halifax East (Mr. Forrestall) which reads:

That in the opinion of this House the government's transportation policies have failed to encourage the growth of strong regional economies, and, in particular, this House condemns the Minister of Transport's Atlantic provinces transportation policy and continues to reject his attitude towards western transportation problems.

The aspect of this motion that I would like to deal with is strong regional economics. I refer to the \$12 million to \$15 million hangar which the federal government is building at Winnipeg.

On May 23, 1974, during the election campaign the Prime Minister (Mr. Trudeau) was in Winnipeg. He made a grand announcement, stating that he would be giving the people of Winnipeg a \$12 million hangar and that this would create 800 jobs in the aerospace industry in Winnipeg.

There was no reason for the Prime Minister to make that promise. There was no need for such a hangar. I will deal later with a statement made by Mr. Taylor, the president of Air Canada, and the statement by the Prime Minister. It was obvious that it was an attempt to bribe the people of Manitoba with their own money. However, they were not taken in by that attempt by the Prime Minister. The Prime Minister stated the hangar would be built immediately. However, construction did not begin until last year. It is to be completed by the end of this year.

I am quite concerned as to how this hangar will be used. It is a monstrous hangar that will accommodate 747's and L1011's. However, Air Canada does not do any servicing of 747's or L1011's in Winnipeg. The then Leader of the Opposition, the hon. member for Halifax (Mr. Stanfield), was in Winnipeg that particular day, May 23, 1974. He was dealing with the economic issues of the day, not trying to bribe people with their own money.

I quote from an article in the *Winnipeg Free Press* of November 1, 1976:

Air Canada, with a \$12 million hangar under construction here that it claims it doesn't need and isn't paying for is negotiating with Transair Ltd. to share the 80,000 square-foot facility, it has been learned.

Construction is being paid for by the federal treasury. The hangar, a campaign promise of Prime Minister Trudeau and former defence minister James Richardson, will be ready in late 1977.