

Economic Policy

the citizens of any other country, except Japan. We have a reputation as savers of money. Surely we cannot carry on in future as we carried on in the past. If, in future, our people are allowed to invest huge sums of money in any industry haphazardly, without heeding the needs of other sectors of society, our goals will not be reached. There just is not enough money in the world for doing what we want if we take that kind of haphazard approach to energy development.

Energy is being developed in this country. At the moment Quebec is embarked on a multi-billion dollar hydroelectric project in northern Quebec. Manitoba has embarked on a somewhat smaller hydroelectric development. One hears talk of pipelines being built for oil and gas. Every time you turn round pipeline costs increase by millions of dollars. If we are spending all this money in these areas, how then can we expect to find enough capital to meet all our other requirements? We need to plan for the future. At present there is no such planning.

Let me show hon. members how capital is wasted in this country. This country is not short of capital. It misuses capital most criminally. If we are to meet future needs we shall require the government to plan the use of capital. Why do I say that? Some years ago we began a government enterprise known as Trans-Canada Air Lines. The government went into the air transport business because private entrepreneurs felt it was too risky, or would bring small returns. That government airline grew until it became Air Canada, one of the finest airlines in the world.

Some hon. Members: Hear, hear!

Mr. Saltzman: That was too much for the government. Here was a government enterprise operating successfully. It was more than the federal government of the day could stand. It looked for some way to correct the situation, for some way of killing the airline. Well, a previous Conservative government found a way of killing it. It allowed a competitor to compete with Air Canada, the government-owned airline which was doing a fine job, returning money on investment and providing suitable service across this country. A competitor was allowed. What was the result? Air Canada did not make as much money. Aircraft were used inefficiently. Now, both Air Canada and CP Air have an overcapacity of seats.

The situation has degenerated; now CP Air magnanimously says, "We do not mind embarking on joint efforts with Air Canada so that we can rationalize our purchasing, flights, and use of capital." But capital was used rationally when only Air Canada was the large operator in Canada. Introducing a competitor in the air served no useful purpose. Probably in the end we shall need to take over both airlines and operate them as one airline.

We did much the same with our railroads. One railroad was not good enough. We needed two, one to compete with the other, in order to preserve the myth that one is privately, the other publicly owned. The publicly owned railroad has to bear the costs of passenger service, whereas the CPR is not under that obligation to the same extent. It is free to carry more profitable cargoes. The CNR, being saddled with higher costs, is forced to apply for government loans. The CPR, which does not carry as many passengers, is said to be more profitable. People should remember that.

[Mr. Saltzman.]

The point is that Canada is a large country, and transportation is important in holding it together. That has always been true. Therefore why do we need competition in our modes of transport? Or why should one mode be forced to compete with another? Why do we need two airlines, one competing with the other? When we disembark from one mode, say at a station, why must we travel to another part of town to embark on another mode? Arrangements of this kind destroy confidence in the utility of transportation.

People talk of our great capital requirements in the future. We do not want to import large quantities of capital. Surely, therefore, we ought to co-ordinate our transport systems, to make sure that one system does not duplicate the efforts of another. We do not need two modes of transport doing the same thing, carrying the same goods. These things ought to be done by co-ordination and co-operation, not by competition. Really, competition in transportation brings few benefits.

I know that businessmen like to think that competition in transport is good. Some of them think that any government-run operation is not worth a damn; therefore when they travel by private carrier they please their ego, their own philosophy. Such attitudes are not based on fact. Some businessmen insist on travelling by private carrier. But the majority of our people are quite satisfied with Air Canada service. The vast majority must pay the shot so that a few in this country can choose to satisfy their vanity or ideology. That is madness.

The United States has concluded that competition between similar modes of transport is not beneficial. It was harder for the people of that country to reach that conclusion. Now they know that, no matter if people travel by train or air, the transport system must be planned rationally. They are moving in the direction of the planned transport system and away from the private enterprise pattern advocated by the hon. member for York-Simcoe.

I do not disagree with much that the hon. member said. In many areas of society private enterprise can perform a most valuable service. In many areas of society private enterprise is useful and should be encouraged. My argument does not constitute a blanket condemnation of the private sector. I say to the hon. member for York-Simcoe that we shall not meet the challenge of the future if we permit the anarchy of the market place. Many things benefit from competition, but many things are destroyed by competition. That is the kind of choice we have to make. I was hoping that in his well prepared and sincerely delivered address he would have shown a recognition of that fact, that what we need today is planning.

● (1600)

Planning does not mean that you do every little thing in the economy, that you plan everything to the last detail. The mind of man and the computers at his disposal are not of such accuracy that all these things can, should or need to be done. One of the jobs of planning is to know which things are important and of such magnitude to the economy that they should be part of government and public responsibility, and which things can be safely and more efficiently left to competition in the market place. That is the first job of planning, to say which things are which,