

Supply—Transport

by the argument made by the minister that western Canadians desire to go to London via C.P.A. I think that because of the decision the government has made, they will not follow that route. If and when they go, as it is now they must go via Gander. This is clearly set out in the reciprocal bilateral agreement. So the western Canadians are not going to be able to travel any faster via C.P.A. than they can now via T.C.A. So that argument falls to the ground.

Mr. Balcer: I wonder if the hon. gentleman would permit a question?

Mr. Chevrier: You can do your talking later—

Some hon. Members: Oh.

Mr. Balcer: The hon. member cannot convince me that the route is shorter via Winnipeg and Montreal than it is via Edmonton and Gander.

Mr. Chevrier: I do not imagine I can convince the minister of anything, because I am convinced in my own mind that the minister and this government are out to destroy T.C.A.

Mr. Fleming (Eglinton): A shocking untruth.

Mr. Chevrier: The Minister of Finance says "shocking untruth". That is all he has been able to say to everything which has come from this side. Everything, he says, is untrue or malicious.

At least the former minister of transport, though he talked about competition when he was on this side of the house, did not always put it into effect.

Furthermore what about the terms of the approval of this line. Has that approval come forward? The minister made an announcement without even consulting the United Kingdom, with the result that one government is now dealing with the other by means of aide-memoires. Is this the way in which to proceed on a matter of this consequence—to announce a decision without even obtaining the approval of the other party as should have been done under the terms of the bilateral agreement?

I am not the only one who feels this way about the situation. There have been many editorials across Canada in connection with this decision. I referred a moment ago to the *Montreal Star* of August 17. It went on to say that the minister had not even attempted to discuss the reasons behind this decision. Then, long after the decision had been made, he makes this announcement in the house. The *Financial Post* of September 23, 1961, in an editorial entitled "The Wonders of Competition" says that both government owned Trans-Canada Air Lines and privately owned

Canadian Pacific Airlines have been sinking slowly but steadily in the red. C.P.A. lost \$4.7 million last year, its fifth and biggest loss in five years while T.C.A. had a \$2.6 million loss in 1960, its first in a decade. I wonder what the late Mr. Howe would have thought in the light of the establishment of this great government-owned air line, Trans-Canada Air Lines, owned by the taxpayers of this country. He brought Mr. Symington to direct its activities for many years, and Mr. Symington was succeeded by Mr. McGregor. I am just as positive as I am of the fact that I am here that there is no room for two trans-continental airlines in this country. The proof of that lies in the estimates which were presented to the committee on railways and shipping when for the first time, Trans-Canada Air Lines had a deficit of close to \$200,000 last year and this year, as the *Financial Post* said, the T.C.A. deficit amounted to over \$2 million. In the light of what is happening all over the world, how can you expect these lines to operate profitably if you are going to take traffic away from one and turn it over to another?

At least the government might have allowed the air transport board to deal with this situation, but it chose to deal with the matter itself and I do not know to what extent the situation was studied. In the United States, air lines are merging. But I do know that the government has been whittling away traffic from the T.C.A. year in and year out. They started in connection with some regional air lines. They have continued with a trans-continental reduction in T.C.A.'s line, and now they are taking additional traffic away from the crown-owned company—the taxpayers' company.

What will be the effect? There can be only one effect—that sooner or later the position will be so bad that it will not be possible for either one of them to carry on, and I hate to see the day when that will happen.

Mr. Balcer: Before we proceed to the next item I should like to re-establish the facts. The hon. member for Laurier made all kinds of statements but I should like to bring the whole thing back to reality. First of all, he says the route to the United Kingdom from western Canada through Edmonton and Gander is longer than by way of Winnipeg, Toronto and Montreal. I think the hon. member has only to look at a map to see how completely wrong he is with regard to this.

The hon. member also said we did not get approval in advance of our decision from the United Kingdom. Well, there is nothing in the air agreement which says we must get approval from the United Kingdom before

[Mr. Chevrier.]