

*Canadian National Railways*

other fields, but it must be very demoralizing to people in Air Canada when they are put in over their heads. Many of the people now in Air Canada are very promising and have a great deal of ability. If they feel the government is going to engage in policies which prevent them from getting to the top they may very well leave. I hope the government will give some consideration to this aspect of the situation.

The most important thing is that the government make some decision. This situation has existed for some months and the rumours that have been circulating have not helped Air Canada's situation. The people of this country are entitled to know who is to be the head of Air Canada. If the government should decide to have a two-headed presidency, so to speak, we should know where buck-passing is to stop. I assume there are to be two heads of Air Canada, someone parachuted in from outside plus the executive vice president. Who will make the final decisions? The division of authority in this regard must be made very clear when the appointments are made.

Many decisions will have to be made by the new head or heads of Air Canada. The men who must accept the final responsibility must be made aware of that fact. An example of some of the things that the new presidency of Air Canada will face is the question of air freight and facilities. Most authorities on air transport agree that in the next ten years the amount of air freight will increase by 600 per cent. There must be very careful planning in relation to terminal facilities to allow for this tremendous increase, not to mention the increase in passenger traffic.

In this regard we must also consider container freight. This is a very important matter so far as railroads and shipping companies are concerned. It is also of importance in relation to air freight. About a year ago the use of containers for air freight commenced. In the last year this use has increased enormously and it is estimated that it will accelerate in the next year or two. With this increase there will be an increase in the number of problems the corporation will have to solve.

I have in mind customs clearance for international air freight. Various departments such as the Department of National Revenue will have to be consulted by the officials of Air Canada in order to speed up customs clearance of freight coming in by air. This in turn raises other matters, for instance, the use of computers to facilitate domestic as well as

international air freight. We must also consider the type of bills of lading which will be used and handled by computers. This whole situation requires a great deal of planning and careful study.

We must also consider the type of aircraft to be used. In the past Air Canada has had certain types of aircraft on order but by the time they were received they had virtually become outmoded. I refer particularly to the Vanguard. It is a good aircraft, although I understand it is not as economical as some others. I have been informed that Air Canada would have purchased more jet aircraft had they been available rather than Vanguards. I know that Air Canada has already taken an option on certain types of aircraft that are being developed. A decision will have to be made in this regard.

We must also consider the question of jumbo jet aircraft and their ability to carry standardized containers. There are some 200 containers registered for use on aircraft. This number may have to be reduced to about 17 under I.A.T.A. regulations. Consideration must be given to this fact. This is the kind of problem the new head of Air Canada will have to solve.

Consideration must be given to the size of airstrips in order that jumbo jet aircraft and perhaps the new supersonic jets which are in the testing stage will be able to land. How are these aircraft going to be landed in cities like Montreal and Toronto where there are residential sections in the areas of the air terminals? Perhaps consideration should be given to establishing terminals near the ocean where these new jets can land, and the use of smaller aircraft to transfer the passengers from such terminals to the major cities. These are the problems that are going to be faced by the new head of Air Canada, and the sooner an appointment is made the better.

• (12:10 p.m.)

The next question concerns passenger service on the Canadian National. Unlike the Canadian Pacific which has done everything possible to get out of passenger service to the detriment of the Canadian people, the Canadian National has not adopted this attitude. Canadian National has removed a number of passenger facilities, and I shall deal with that shortly. On the other hand, the Canadian National, to its credit, has made every effort to increase the frequency and speed of passenger service in the heavily populated areas. I could refer to the new Rapido between Toronto and