

Supply—Transport

Transport for this decision. I ask the minister now if he is prepared to give the reason for this decision.

Mr. Balcer: Mr. Chairman, I welcome this opportunity to make a few comments on this decision of the government. There were numerous reasons for the decision of the government to designate Canadian Pacific Airlines as one of the carriers on the service between Canada and the United Kingdom. First of all I should remind the committee that the service in question is between western Canada to the United Kingdom across the northern part of our country.

The international air agreement between the United Kingdom and Canada makes provision for Canada to designate a carrier or more than one carrier for this service overseas between our country and the United Kingdom. One of the main reasons why Canadian Pacific Airlines has been designated is that at the present time from the western provinces, and especially from British Columbia and Alberta, a great many Canadians desiring to go overseas find it preferable, both financially and as far as the time element is concerned, to travel by United States air lines from Seattle. The reason is that the United States air lines give a direct service from Seattle to London. A great many Canadians have been travelling this way because there has been no direct service by a Canadian carrier from our two westernmost provinces to the United Kingdom. This new service means there will be an opportunity for Canadian carriers employing Canadians to offer our people a service that can compete with the United States air lines serving this traffic from Seattle and from the north-western United States right to the United Kingdom.

There is another reason why the government has decided it is a good thing to give this opportunity to Canadian Pacific Airlines to serve the Canadian public on this route. This is the fact that Canadian Pacific Airlines has at the present time a service between Australia, New Zealand, the Fiji Islands, Hawaii and Canada and then overseas. Unfortunately, because Canadian Pacific Airlines could not serve the United Kingdom all the traffic from Australia, New Zealand and other islands of the Pacific was travelling exclusively on Qantas air lines. These people would cross the United States and travel directly to London. Canadian air lines were not serving this area of the commonwealth and could not provide a service that could compete with the service offered by Qantas at the time.

Canadian Pacific Airlines has pioneered this northern route; this is another reason for the decision of the government. They

have established a market in the westernmost provinces of Canada, where they have their headquarters and employ almost 3,000 people. We sincerely believe that this will be an opportunity for Canadian carriers, not to compete so much with one another but to compete with other air lines of the world.

When we look at statistics and observe what happens in our international airports, every Canadian must realize that a tremendous number of our citizens are crossing the Atlantic every day on foreign carriers. I think this is a great opportunity for our own carriers to go after the Canadian market for the overseas route. I think the great majority of the passengers who will travel on this Canadian Pacific Airlines route are people who would not have travelled on our other Canadian carriers.

Mr. Chairman, I have given a few of the reasons for this decision. Of course, I know that Trans-Canada Air Lines are facing a deficit for this year, but I would say that practically every large air carrier in the world is at the present time going through a difficult period. The reason for this is not the decreasing traffic over the long routes, but that all the air lines had to switch from propeller aircraft to the big, new jets which are so expensive. We are right in the period of change-over. I am quite convinced that our two extremely efficient carriers will soon get over this change-over period and make up the deficit of the current year.

Trans-Canada Air Lines is providing extremely good service on all its routes and it can compete with every air line in the world. I must say that Canadian Pacific Airlines, which is a much smaller operation, also gives extremely good service. On both air lines we have the best crews in the world. They have very good equipment and both managements have the will to compete with all the other air lines in the world. Even if there is a great deal of traffic on the Atlantic route I believe that both air lines are well equipped and have the will and ability to compete. The decision of the government will in the long term prove a good one and I am convinced that it will not hurt Trans-Canada Air Lines, which is government-owned.

Mr. Chevrier: Mr. Chairman, I am not convinced by the answer the minister has given. I will tell the minister why I am not convinced with the reasons he has advanced. In the first place, I think that a decision of this importance should have been announced when the house was in session and not when the house had adjourned. There has been no opportunity to discuss this matter in the house save and except in the dying days of the session. Second, I am not at all convinced