

Supply—Transport

I am not seeking to blame the present minister in any way, but does this not indicate a deplorable lack of liaison between the minister's predecessor and the Postmaster General? The Postmaster General cancels a mail contract and forces the treasury to pay a subsidy to this air line to keep it going, and no doubt the post office is still transporting that mail in some other way and spending still more out of the treasury.

It seems to me this is a clear indication that the Minister of Finance, the chairman of the treasury board, is not exercising the vigilance he should be exercising over public expenditures. Maybe it would have cost a little more to carry this mail by air, but if that had saved us from giving another subsidy to this air line it would have saved the taxpayer's money. I think the minister should tell us how much the company got out of this mail contract, how the amount compares with the \$300,000 we are being now asked to provide, and how much is now being paid for the carriage of that mail in some other way. Perhaps it is a little unfair to ask the Minister of Transport to answer that, but the parliamentary secretary to the Minister of Finance is in the house. We know how vigilant he is in all these matters, and perhaps he can answer that question if the Minister of Transport cannot.

Mr. Balcer: First of all I want to say for the Department of Transport that the subsidy of \$25,000 a month is much less than this mail service would have cost. The Post Office Department had figured out that it was becoming very costly for them to use the air line for this service, and they decided to carry the mail by truck. The saving was greater than the \$25,000 we are now paying to Pacific Western Airlines.

Mr. Pickersgill: You know, Mr. Chairman, in this matter, I am from Missouri and the minister will understand the sense in which I use that phrase. I was once acting postmaster general for a while and I know that some of these ideas that some people in the Post Office Department have on how to save money do not end up by saving much of the taxpayer's money. I would have thought that at least \$25,000 a month in mail should have been carried in this way and the rest of it carried by truck, thereby reducing the cost of the trucking by \$25,000 a month to the benefit of all concerned. No doubt some highly elaborate technical information could be supplied to show how silly that is, but it is not silly at all. If the treasury has to pay \$25,000 a month as a subsidy for this service, surely there is some of the mail that

could be expedited and this line could carry that amount of mail and at least give the public something in return.

I am not going to press my question, but I think this does show that that eternal vigilance, 18 hours a day, about which the Minister of Finance boasted in 1957, is now being given by him to other matters now rather than to the affairs of treasury board.

I have one general observation I should like to make, and again I am not blaming the present minister but his predecessor. I think the present minister is trying his best to clean up the shocking mess that was made by his predecessor with regard to this whole air service business by reason of the phony doctrine of competition that was spread around before the 1957 election. Nearly all the trouble of these secondary air lines, Pacific Western, Quebecair and all the others, stems from the abandonment of the policy of Mackenzie King and C. D. Howe which was announced in 1944 and which worked very well until the minister's predecessor wrecked it during his passage through the Department of Transport; and, according to the best information I have, wrecked it against the advice of the air transport board and against the advice of the experienced officials in his department. In my opinion, and it is only my opinion of course, he did so for what are usually described as purely partisan reasons having nothing to do with the public welfare. I must say that I hope the minister is successful in cleaning up part of this mess at any rate, of which this \$300,000 is only a small element.

Mr. Balcer: Mr. Chairman, I am very glad that the member said in the middle of his remarks that he was expressing his own opinion, because I can assure him that this opinion is not shared by the great majority of Canadians. I also assure him that when I became Minister of Transport—

Mr. Martin (Essex East): Would that include the tribute that the hon. member paid to the minister?

Mr. Balcer: That was the only part in what he said where he was really on solid ground. All the rest was extremely weak. I think it is unfair to say that of my predecessor, because he went to work in the department in 1957 with the vigour we know he possesses, and he needed all that vigour to clear up the mess that had been accumulating there for 22 years.

Mr. Pickersgill: I have one further brief observation to make in reply to the minister. The minister is gallantly defending his predecessor and that is to his credit, but let