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substantially and there is tremendous potential in generating additional tourist traffic.

Furthermore, it is fair to say that there is a fair amount of traffic being diverted to the United States as a result of that freedom of choice. When the minister gets to Calgary and probably meets with a very effective and efficient transportation authority in that city, he will find that a lot of business is going south of the border, which is not doing us much good. I hope that the minister will accelerate the bilaterals in that regard and will work toward opening up that access, because I think it is important for western Canada. It is clearly very important from the standpoint of the over-all Canadian economy, particularly as it relates to our tourist trade.

Mr. Pepin: First, with regard to the seaway, I must say that when I looked at the project which was left on my desk for the creation of a seaway board and possibly of a seaway advisory council which might lead to the creation of a board, I was extremely attracted to the idea. Although it will present difficulties when it becomes a board because, after all, some of its potential members will be interested parties and would have a vested interest in the operation of a seaway, I have come to agree, despite my uncertainty, to proceed through the advisory council. Since then I have had meetings with people from the industry and somewhat to my regret I have found that it might not be what they are looking for. They are looking for a direct nose to nose, belly button to belly button contact with the seaway authorities so that they can really get to know what the planning is, and so on. This is not exactly in the nature of a traditional advisory council. So I am uncertain about the idea but I am considering it.

With regard to the international air negotiations, the hon. member mentioned their importance of which I am very much aware. They are important to Canada, they are important to western Canada, they are important to Canada's national carrier and to a great number of people. So I am assigning the importance to it which it deserves to have.

Frankly, I did not think feelings in western Canada are as strong about this as my hon. friend is making them out to be. I did not have that impression. My impression was that governments and people in the three western provinces were quite willing to accept the fact that negotiations would be very difficult and that a great number of things had to be balanced, such as the interest of regional carriers, the interest of the national carriers, the concessions made in the past and the advantages to be gained in the future.

When I went to the western provinces, my impression was that people were quite willing to accept the proposition that the matter was very complex and that it needed much attention and a lot of hard bargaining. In any case, the negotiations are proceeding. Negotiations with the United Kingdom did not start off too well, and that is admitted, but I understand that difficulties have been patched up and a normal type of meeting will take place very soon, if it is not in progress now, and the others are waiting.

I realize my predecessor knows these things, but I thought I would put them on the record, at the same time, just so that other members will be aware of them.

● (1720)

The discussion in these matters goes through three phases. First, there is the conversation between the companies, between the air carriers; second, the regulators come in; and the governments come in at the end. Two main areas of Canada are now being debated from the point of view of international transporters; that is, western Canada and the Toronto area. Entry to these areas is very important to them in economic terms. We are approaching it in a very realistic, down-to-earth manner—let us see the colour of your money and we will show you the colour of ours. It is negotiation. Canadians should not be troubled unnecessarily if there is a bit of flak in these negotiations, because that is the normal pattern.

Mr. McRae: Mr. Chairman, I am pleased to be able to contribute a few words to this particular debate. It interests me, in this kind of session where we have the ministers in front of us, that we spend the first day trying to give the President of the Treasury Board a hard time on government spending, and then we spend the next day, each with our own particular plans on how we can spend some more money.

Some hon. Members: Hear, hear!

Mr. McRae: I say that in defence of the President of the Treasury Board, but I must say that he needs very, very little defence. I think he handles himself extremely well. However, I think this is as it should be. Certainly I will be talking a little bit about how we can spend money in Thunder Bay very profitably, to the advantage of the country.

I should like to address the minister on the whole subject of grain movement and particularly as it affects the port or harbour of Thunder Bay. Last summer there was one large article in the *Toronto Star* and an editorial in *The Globe and Mail* within a couple of weeks of each other. Both of them talked about grain movement and the difficulties we were having with grain movement in the country. They were long articles, long editorials and so on. They described the port of Churchill, the port of Prince Rupert, Vancouver, and the difficulties being encountered there. It was interesting that in both the editorial and the article there was not one single mention of the port of Thunder Bay, yet two-thirds of all of the grain moved through this country is moved through the port of Thunder Bay. It is just incredible that this happens.

One of the reasons it happens is because it is a very efficient port. There have virtually been no labour problems, no strikes, nothing like that, so things go on. People just forget about it; it has to be a port in trouble or something like that to get that kind of attention. I am using this time to bring that to the attention of the minister, because I think it is important to realize that at this particular point Thunder Bay is moving about two-thirds of all the grain moved through the country. It varies from second to third as the largest bulk-handling port in