

*National Transportation Policy*

ly responsible policy; otherwise, it would not have survived for as long as it has. The reason that it is sensible is surely that we do not want to have these two large corporations become what are in effect political footballs. The hon. member on one side of me talks about a lack of interference or a lack of direction for the CTC and for these other corporations, and yet the suggestion comes from another quarter that perhaps we are interfering too much. It is in trying to achieve this balance that the difficulty arises.

• (1540)

I want to be sure that I have enunciated the policy clearly. It is, (a) that Air Canada is the pre-eminent carrier in this country, owned by the people of this country, and with its main objective to operate for the benefit of the people of this country; (b) that Air Canada's basic motivation shall be to run at least on a break even basis and preferably to make a profit; (c) that it should not make a profit by giving Canadians something less than the best service that they could expect under comparable circumstances in any other country; and (d) that it does not have to make that profit on each one of its routes but simply in totality.

**Mr. McGrath:** (a) is in conflict with (d).

**Mr. Jamieson:** I am not certain that I would agree with the hon. gentleman. I said that (a) it is the pre-eminent carrier but that it is pre-eminent in its totality. I call his attention to the fact—and forgive me if I was not straight in my answer on it—that I am speaking now outside of the international sphere because in order to give a full dissertation on this subject I would have to say that the international routes are also quite important in the sense that they are what I believe makes (a) and (d) compatible. They are compatible because I hope we would have overseas routes that would help on some of these non-profitable domestic routes. In any event, I hope I have given enough here at least to indicate that these are the broad outlines of the policy, and that it is in trying to go beyond it that it is difficult to try to spell it out with any more clarity. I would be grateful to hon. members opposite if they were to indicate their views as to whether or not in fact it is appropriate for the government of this country or for a minister of the government of this country to go very much beyond what I have outlined in terms of giving direction to any one of these corporations.

**Mr. Benjamin:** It is a straw man.

**Mr. Jamieson:** Perhaps the hon. member will explain why it is a straw man when he speaks next.

I will go on to say that a third and major element in terms of the transportation complex to which the hon. member for Moncton (Mr. Thomas) referred is the question of Canadian Pacific, with both its rail and air operations. Here, except for the normal regulatory restrictions, these are private corporations which are entirely free to do what they choose. This, of course, makes again for a very difficult circumstance in terms of trying to outline just where one fits in relation to the other. Hence my emphasis at the beginning on the fact that Air Canada is

[Mr. Jamieson.]

the pre-eminent carrier, and it is our intention to continue to look at it in that way.

I am sorry that time is moving by so fast, but I did want to touch briefly, before getting into the matter of transportation in the Atlantic provinces, on the whole question of regionals, and my hon. friend's continuing difficulty, which quite honestly I am not sure I understand, with getting our so-called regional air policy clear. The regional air policy was declared by me in August of 1968. It is quite specific and I can give the hon. member its rough outlines quite easily. They are, that there are five recognized regional air carriers in Canada stretching from west to east. I do not think I will take the time to go through them; my hon. friend knows them. Each one of them is given a geographical sphere in which it is assigned to operate, and it does so with one other proviso, that is that each one of these regional carriers is provided with access to a large metropolitan market.

Here it will be necessary, to illustrate my point, to name some of the airlines. There is Pacific Western which has Vancouver, for example. It also has Edmonton and Calgary, so that it is in a reasonably good shape in terms of having large centres of population. Transair which operates out of Winnipeg has access to Toronto. Nordair has been given a circle of routes which include access to, for instance, Ottawa and also one or two trans-border routes in order to give it a reasonably viable basis, and Eastern Provincial Airways and Quebecair each have Montreal. So, what we have sought to do has been to define geographically the area in which an airline would operate in a region and also to give it access to some major centre. I think hon. members will know that, by and large, the regional carriers have had within the last two years a major breakthrough in terms of their economic strength and viability and that now almost without exception they are equipped with jet aircraft. I am sure that my hon. friend from Newfoundland would agree that Eastern Provincial Airways has been improving steadily and is now on a par with virtually anything you could find anywhere.

**An hon. Member:** Give them more routes.

**Mr. Jamieson:** If we gave them more routes we would be doing so at the expense of Air Canada, for instance, because remember that Air Canada, being a free agent, also has a right to ensure that its route structure is viable. Therefore, it is the role of the CTC, when competition arises, to indicate which one ought to be given a particular route. Once again, I would wish to have time to go into great detail on this, but I notice that my time is passing and I would now like to turn to the question of the Atlantic provinces transportation.

No subject has had more discussion and, I suppose it can be said as well, more defence and criticism than the whole matter of transportation in the Atlantic provinces. On Tuesday of last week, I met with the Atlantic Provinces Transportation Commission in St. John's, Newfoundland. I think that the first paragraph of the release which the commission put out following that meeting sums up in a few lines what really constitutes the consensus, and the growing view within the Atlantic provinces, as to what the transportation policy in the Atlantic prov-