

saying to you is that if there were a reasonable proposition to split the capital structure, I think it would be a good idea." Well, that seems to be a straightforward statement by the minister and one with which I happen to agree.

The President of the CNR takes an opposite view, and while he is entitled to do so the question does arise: Who is running the financing of the CN and Air Canada? Is it the government of Canada, as I think most Canadians would like to believe, or is it being run at the whim of the executive officials concerned? Mr. MacMillan made an interesting comment when he was asked to define the primary role of the CN. The discussion had centred on whether the CN was paying sufficient attention to moving people and to moving commodities. He stated in the course of his most recent appearance before the Committee on Transport and Communications:

I think it would be quite wrong for us to restrict ourselves to rail movement because in that way the public is not properly served. The future, I think, will go even further into the intermodal methodology of handling business.

"Intermodal methodology"; that is a very interesting term and we would like to know exactly what it means. Unfortunately, so far, we have not been able to find out either from the President of CN or from the President of Air Canada what they consider their basic guidelines to be. Mr. Pratte is on record as saying on several occasions that he is not certain what the primary role of Air Canada should be and it appears that Mr. MacMillan is also confused to some extent. Perhaps not, but that is the way it appeared to me, as a member of the committee.

The hon. member for Vegreville (Mr. Mazankowski) stated quite clearly in his speech today that he felt the Minister of Transport does have sufficient authority to direct the affairs of the nation's carriers to the extent he feels they should be directed. In support of his argument, my hon. friend quoted from the Railway Act and the National Transportation Act and gave examples of what could be done. For some reason, the minister has been reluctant to crack the whip and assert the authority he possesses by virtue of existing legislation.

I conclude by saying that, if in fact the minister honestly feels he needs more authority in order to expedite a solution of Canada's transportation problems he should, without delay, bring forward the necessary amendments to the National Transportation Act. It is not as though this were a new situation. It is not as though the government has not had time in which to act. It is not as though this were not a matter of great importance to Canada. As I mentioned earlier, the lack of a transportation policy at federal level has tremendous implications for the future of our regional development programs, particularly in eastern Canada, since in the absence of an efficient and comprehensive transportation policy any meaningful efforts to reduce regional disparity are doomed to encounter needless complication and expense.

Once more, I ask the minister and his cabinet colleagues to remedy the situation which they themselves have caused, and to bring forward quickly any legislative changes which they feel would help to bring Canada back into the forefront as far as transportation generally, is concerned. We do not stack up too badly when it comes to certain aspects of moving commodities but judging from

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the complaints which come across my desk, as far as moving particular commodities is concerned, it appears we are getting into as bad a situation with regard to moving timber, potash, wheat and apples as we have been in for years when it comes to transporting people. This situation must change before it deteriorates any further, because if the present rate of decline is allowed to continue the effect on our economic development will be very serious.

● (1700)

Mr. J. H. Horner (Crowfoot): Mr. Speaker, the other night when the amendments to Bill C-5 were up for discussion I dealt mainly with the question of rail transportation. On third reading I should like to deal briefly with some of my thoughts about the lack of an air policy in this country of ours.

I listened to my socialist friends to my left speak of nationalization, and this reminded me of our study of this particular bill in committee last year when the question of the government, through Air Canada, acquiring Wardair was being discussed. I tend to think a fabulous price was being asked for a 30 per cent ownership in Wardair. Wardair did not have any planes of its own. It ended up owning one DC-9 and an old Bristol freighter, leasing the remainder of its aircraft. But what the committee study boiled down to in regard to Air Canada buying Wardair was: What did Air Canada really want from Wardair? The answer given by the president of Air Canada to the committee was: "Charter flight know-how".

Never before have I seen a Crown corporation admitting it did not have all the answers and was prepared to go to private industry to buy know-how. To me this is a prime example of why nationalization and socialism will eventually fail. It will fail because it will fail to stimulate and germinate any new thoughts. Approaches become narrower and narrower. To me this was a great admission that nationalization and socialism is not the answer, no matter whether it be in regard to air operations, rail operations, industry or what have you. Eventually, it will have to be admitted that socialism stifles initiative.

One might ask, how has initiative been stifled in Air Canada? Some time ago I spoke in this House about Air Canada owning Viscounts and flying them for 22 years when no other airline could afford to fly them. They were nice, safe little planes. I felt secure when I flew in them. But their fuel costs were astonishing. Today a 747 can fly just as cheaply as a Viscount, yet Air Canada flew them for 22 years. I suggest that is narrow thinking on the part of a Crown corporation. They should have gone out and bought know-how far sooner than they did when they thought of purchasing Wardair.

What else is wrong with our air policy? The other evening I pointed out that the National Transportation Act of 1967 was deficient, and I said so at that time. I roundly debated it with the then Minister of Transport, Mr. Pickersgill, and I still think the act is deficient. But Mr. Pickersgill did create the CTC, and a job for himself. In all fairness to Mr. Pickersgill, in 1966 he did produce a workable solution to part of our air policy when he brought in what is commonly referred to as our regional air policy.