

Air Canada

because we in the north know that that would mean worse service. It is important that we not allow the clause I have described to remain in the bill, and that is why I am glad my hon. friend moved his motion.

Service must be the goal of any national transportation system. If we rely upon the profit motive alone it will mean reduced service in the less populated areas. The idea that making a profit and allowing competition will at all times serve the public best is a false one. It may suit the people who live in the larger cities very well, but it will not suit those in the smaller cities who depend so heavily upon airline service because of their distance from major centres. It is important they have an option always available to them, and I predict they will not have such an option if we move in the direction indicated in the bill before us.

The tourist industry is failing. It is cheaper to fly to Florida than to Vancouver. It seems to me there must be a national airlines system which is affordable and which provides service. This has to be a national goal, and that is why I support the motion standing in the name of my hon. friend from Winnipeg North Centre.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, last July I had prepared a few comments on this aspect of the debate in the old session. We are opposed to the amendment put forward in this new session by the hon. member for Winnipeg North Centre (Mr. Knowles) and it is appropriate I should put my comments on record tonight. They will be short, but I think they apply.

The amendment about which we are concerned tonight, and which has provoked so much chit-chat between our party and the New Democratic Party, has to do with whether or not it is reasonable to expect on behalf of Canadian taxpayers that a Crown corporation or agency, Air Canada in particular, should be managed and operated both within and outside Canada on a sound business basis with a reasonable contemplation of making a profit. To remove this concept from the bill, as the amendment proposes, is, surely, to question the very basis of our private enterprise system.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Symes: That is the purpose of the amendment.

Mr. Hargrave: In the case of Air Canada, there is no reason why this basic principle should not still apply. I want to make specific comments about one aspect of the air freight side of Air Canada to show that at least some parts of the air freight operation are not being managed in accordance with sound business practice. I am referring to the air freight policy of Air Canada with respect to the transport of livestock, especially cattle, to foreign markets, nearly all of which lie across at least one ocean. I have in mind both purebred and commercial breeding cattle, both beef and dairy.

Canada rightly enjoys a very high reputation throughout the world for the excellent quality and high health standards of its beef and dairy cattle. Our cattle are in high demand, especially

[Mr. Symes.]

now when market prices are seriously depressed. With very few exceptions, customers or potential customers must be supplied by air freight. Expensive as this form of transport is, it is simply not practical or efficient to move live breeding cattle by boat or truck to offshore customers. Until a few years ago Canada had only one aircraft which was fully converted to permit the efficient movement of live cattle, by which I mean that they could be handled by a fast walk-on and walk-off system in conjunction with large cattle-liner transports. The particular aircraft I am thinking of belonged to Pacific Western Airlines, and it has now either been sold or converted to passenger service.

Air Canada has been involved to a very limited degree, but only with a most inefficient and impractical method. Cattle must first be loaded into smaller, separate crates and then loaded into the aircraft by fork lifts. The process is a time consuming one and does not lend itself to the movement of larger cattle. Accidents, such as broken legs and other similar injuries, are much more likely to happen, and this, of course, is very inefficient and expensive by comparison with the logical walk-on aircraft which are specially converted for this use. Air Canada, however, has not seen fit to supply these specially converted air carriers although they insist on having the "first right of refusal" when it comes to bids from other air freight carriers.

In effect this means that Canadian cattle suppliers or forwarders have a desperation choice, either to truck the cattle to the U.S.A. and then load on carriers other than Air Canada, or pay the higher air freight charges of Air Canada and use its antiquated carriers, and hope to remain competitive enough to attract offshore customers.

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Two such Canadian suppliers have had very bitter experiences over this situation. I should like to name them. First there is the Alberta-Canada All Breeds Association with its headquarters in Calgary, a very good organization which has been set up to market special breeding cattle all over the world; and second, there is one that has been in operation much longer, which is known as the World Wide Forwarders of Farnham, Quebec. Both of these reputable Canadian suppliers are continually losing valuable international markets for our Canadian cattle industry because, in effect, Air Canada is essentially restricting Canadian based trade by this "first right of refusal policy" and its outdated, antiquated livestock policy which it has pursued for some time now.

I urge the Minister of Transport (Mr. Lang) to take a look at this very specific part of the Air Canada air freight policy. Since Air Canada is the only carrier in Canada that can realistically get into livestock air freight on a competitive basis, he will find ample support from Canadian cattle producers, forwarders and trade agencies, but the first requirement is a properly modified air freight carrier designed to do the job. This is possible. There are various examples of other foreign carriers which are doing this successfully now.