

*Railways and Shipping Committee*

becomes inefficient. Any businessman knows that, and I challenge any member of the house to refute that statement.

Here I would like to interject that there is no doubt, too, that the minister who was being extremely critical of T.C.A. when he was on this side of the house, if he could speak what is really in his mind, would say that there is no greater service than that performed by T.C.A. in aviation in this country, and that T.C.A. compares favourably with any other air line in the world. I continue:

If monopoly is allowed to be maintained, costs rise and service deteriorates.

Therefore it is quite clear, sir, from this quotation as to what was the attitude of the Minister of Transport in those days. Then I should like to put on *Hansard* another quotation in the same debate which, as Mr. Speaker can see, was quite lengthy and fairly wide in its scope. It is found on page 1869 of *Hansard* for March 6, 1956, and I again quote the present Minister of Transport:

What I say, Mr. Speaker, is, let us have competition in our air services in Canada. Let the Minister of Trade and Commerce (Mr. Howe) stop protecting his sacred cow, T.C.A., and let us have all-out competition—

“Let us have all-out competition.”

—between T.C.A. and these lines that have applied to compete for passenger and freight traffic across Canada. As I have said, T.C.A. has nothing to worry about provided it can produce better and cheaper passenger and freight services. If it can, it will maintain its position. If it cannot, it will lose some of the business and, as in all competitive enterprise, the buying public will benefit. T.C.A. will benefit because it will then have to improve its services and efficiency to keep pace with those who are taking business from it. That is the essence of the competitive system. That is what makes business on the North American continent in particular such an outstanding example of what free enterprise can accomplish.

Again, in the last paragraph of his speech he said:

Let us have competition in our air services in Canada and put T.C.A. to the test to prove it is as good as it is claimed to be. If it is, then the public of Canada will be very well pleased.

**Some hon. Members:** Hear, hear.

**Mr. Chevrier:** Well Mr. Speaker, in the face of this very positive statement made by the minister in 1956 and in the light of the very weak applause for the statement from the other side of the house, it is surprising to those of us who sit on this side of the house that the minister should have been so silent about the activities of Trans-Canada Air Lines. It would have seemed to me that one of the first things he would have done in rising to move the establishment of this committee would be to say something about

[Mr. Chevrier.]

this very vital matter. The minister, however, has not availed himself of the opportunity to make a statement to the house as to the policies to be followed by the government in connection with Trans-Canada Air Lines and competition with it.

However, the minister did make a statement outside of the house. On February 7, just a few days after parliament was dissolved, he went up to Timmins and there he told a public meeting what the policy of the government was to be. As is pointed out by my colleague the hon. member for Essex East (Mr. Martin), this was during the election campaign. I read from a report of the minister's speech as found in the *Montreal Gazette* and emanating from Timmins on February 7:

Elimination of Trans-Canada Air Lines' long-standing monopoly on domestic transcontinental air service was announced tonight by transport minister Hees . . . Private companies such as the big Canadian Pacific Airlines will be enabled to try for franchises on routes now covered by the publicly owned T.C.A. At the same time, T.C.A. will be able to apply for rights on routes flown by private lines.

In the first place, this was a very important statement of public policy. It should have been made in the house and not outside it. Again, being an important statement of public policy, it was a change from the policy followed by the previous administration and, a fortiori, announcement of it should have been made in the house. But we find on close examination of the Aeronautics Act that the minister went much further than he should have gone on that occasion. Perhaps first, Mr. Speaker, I should quote a portion of the speech the minister made so that I will not be accused of misrepresenting him. I succeeded in getting a copy of his speech made to the Porcupine chamber of commerce on February 7, 1958.

**Mr. Benidickson:** An election was coming along, wasn't it?

**Mr. Chevrier:** Oh, unquestionably. I take this sentence from the speech:

—I am requesting the air transport board to proceed with a public hearing on the general need for additional transcontinental air services, since these two applications may not be the only ones to come forward, and the best method of proceeding would be a general hearing at which all interested parties, whether air lines or private groups or individuals, could submit briefs and be heard.

It is that statement of the minister with which I take issue. I take issue because I say that the statement is contrary to the provisions of the Aeronautics Act. Section 15, subsection 2, of the act provides:

No such licence shall be issued in respect of a commercial air service, owned, leased, controlled or operated by any person who is engaged in the transport of goods or passengers for hire or reward