

*Air Canada*

board the broad power to engage in activities that are the responsibility of ministers and of government.

We chose not to go that route, and therefore set out in detail the greater powers of the corporation. That leaves open the danger that certain powers might not be found to exist when the corporation wants to act, hence we included in the bill a clause which allows for expansion of those powers by approval of the governor in council and, therefore, the full authority, approval and responsibility of the government. We cited technical cases where that kind of additional power might be needed, or might have been needed in the past, to allow the corporation to get into computer operations, and those things that might arise in the future.

It is implicit in the bill that Air Canada is meant to operate essentially on a commercial basis and not to be able to rely on its position of being owned by the government, nor give it unfair advantage over its competitors in any way, even in the air mode where it will be competing directly. It certainly would not be extended to other modes in any unfair way. That should give some assurance to those who would be seriously concerned. It is not intended that the corporation expand to other modes of transportation at this point. Should that happen, it is a fact that in the case of trucking, obviously the industry would want to know that there are rules applicable to them and that others were applied to Air Canada. That is the essential thrust of the first motion of the hon. member. We resist it, as he knows, not because of its spirit but because the essential requirement of compliance with the highway transportation regulations in each province is already part of our fabric of law and administration. I would not want to see some apparently special treatment reserved in this particular case.

Under our general law in regard to trucking—even interprovincial and international trucking—we gave full authority on an administrative and legal basis to the provincial boards operating there before the constitutional position was determined, and we intend that should be the main basis of control and development in relation to trucking in the future.

● (1250)

While I understand the hon. member's concern and can appreciate why the hon. member for Vegreville reintroduced his motions, I urge the House not to accept them and to retain the bill in the form as reported by the committee.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, if one examines transcontinental operations of both the CNR and CPR, one will note that the railways for many years have found it more profitable to move a substantial proportion of the commodities they handle by truck rather than by rail. Therefore, I am not surprised at the concern of the hon. member for Vegreville (Mr. Mazankowski) that Air Canada may find it more profitable or convenient to transport by truck commodities it at one time transported by air. It may happen, and if it does it will illustrate the correctness of the position my party has taken for many years, that it is impossible to develop in this country an efficient transportation system which will meet the needs of all the people of Canada if you

consider each mode of transportation in isolation from other modes.

If we are concerned about cost, we should not be concerned merely about the direct cost to customers but about the total cost which the customer and the community must meet. We must consider the total cost of airline service, which includes the cost of building airports, the cost of an air traffic control system, the cost of a weather report service, and so on. Similarly, when considering road transport we must consider the cost of building highways. We cannot deal with each mode of transport in isolation. This bill attempts to deal with the difficulties of Air Canada as if Air Canada is a transport entity unto itself. In the past we have dealt with the difficulties of Air Canada as though they are isolated, and with the problems of the railways and the bus companies as though they are isolated.

Almost every study we have commissioned in this country in recent years has concluded that we should not examine the operations of our airlines or railways, or bus companies, or even our private automobiles, in isolation but that, rather, we should consider the over-all effect of all modes of transport and bring forward policies which will enable us to use each of these modes of transport with the utmost efficiency and lowest over-all cost to the community. The intent of this bill is to let Air Canada do its job better. That is precisely what I don't like about it. The former minister of transport, Mr. Marchand, said it is difficult to consider the operations of Air Canada, of CNR or of CPR, or of trucking companies, in isolation. Back in 1975 he said:

Transportation policy must therefore recognize the fact that there is a wide range of facilities and services, operating under different degrees of maturity and competition. It must enable each to be treated in an appropriate manner, and not, as is now the case, as exceptions to a policy which relies principally on competition.

In that speech he talked about the difference between providing service to the Quebec city-Niagara Falls corridor which has available to it the services of rail, trucks, ships, aircraft, and the private automobile, and providing service to western Canada where most commodities must be shipped by rail. One can compare service in the north, where a great proportion of commodities must be shipped by air. I suggest our transport policy does not yet recognize this as a fact. The former minister of transport, in a speech made in 1975, said transportation policy in Canada is "a mess". That comment accurately described our transport policy and was probably the most graphic comment that minister made while serving in this House.

We are supposedly operating under a new transport policy, but it is just the same old transportation policy under which we operated previously. The minister relies on competition, commercial viability, and his now famous concept of user-pay. It would take me days to illustrate the falseness of that concept and the impossibility of applying the user-pay principle, and it should be obvious to anyone who studies the subject that user-pay will not work. People could not live in some parts of this country if you applied the user-pay principle to them.

May I call it one o'clock, Mr. Speaker?