

*Transportation*

**Mr. Pickersgill:** Is the hon. member suggesting that we skip tomorrow and come back to it on Friday?

**Mr. McCleave:** That might save the minister some anguish, but I am not suggesting anything. These little asides have caused me to lose the thread of my discourse.

In any event, dealing with the point of public interest, since the minister will have the night off it might be worth while for him to discuss with his legal advisers whether or not they feel almost absolutely certain that the changes the minister has put in dealing with the use of our ports are strong enough to assure that the commission will be seized of this aspect of public interest.

Let me refer briefly to one other point. It is hoped that in the aeronautics field Canadian Pacific Airlines will be encouraged by the government, if necessary, or perhaps persuaded by what will appear in *Hansard*, to give consideration to the extension of its services to make them national. I do not anticipate that they will initially enter Atlantic Canada on the same widespread scale as Air Canada, but I do not find fault with Air Canada for suggesting that C.P.A. should at least service some of our major cities. There is always an element of comfort in competition. Competition between two air lines should help to improve services so long as economic considerations are taken into account. I am sure the board will take this fact into account before licences are awarded.

This is tax finding time in our Canadian municipalities. Twice in the last couple of days I have tried to find out whether the Canadian National Railways will be required to pay full municipal taxes for the full year 1967. So far I have not received an answer. The city of Halifax through its council has presented a similar request to the Prime Minister for information. That is why I directed by question originally to the Prime Minister, rather than the Minister of Transport.

Every city in Canada is in exactly the same position. This month they are going over their budgets and setting their tax rates. It would be helpful to them to have some information in respect of this very important matter.

**Mr. Winkler:** Mr. Chairman, I will be extremely brief in my remarks to the minister. I should like to refer to clause 93, which is the

[Mr. McCleave.]

miscellaneous clause. That clause has reference to the Aeronautics Act in respect of "hire or reward", and states that this means:

—any payment, consideration, gratuity or benefit, directly or indirectly charged, demanded, received or collected by any person for the use of an aircraft;—

I feel the position of a private individual or firm may be in jeopardy as a result of this clause. Perhaps the minister will give a detailed explanation as to what this means.

As the clause now stands no person, group of persons, company or group of companies can get together and rent an aircraft or use an aircraft of an operating company by sharing the cost. Perhaps individuals in Toronto want to attend a joint meeting in Montreal and find they cannot group together and hire an aircraft for that purpose. I hope the minister is prepared to clarify this situation because I think it is unfair to private owners of aircraft.

**Mr. Pickersgill:** I can give an answer at this time, and I appreciate the hon. gentleman giving me notice of his intention to ask this question. The appropriate clause has been passed, but we are allowing wide latitude in respect of clause 1.

The Air Transport Board has informed me that quite a number of cases were cropping up in which individuals or companies were in effect providing a commercial air service without complying with the licensing requirements of the act, and without therefore having any operating certificate from the department covering safety requirements. It could happen that one company owned an aircraft and employed a crew, and would then lease the aircraft without crew to someone else. By separate arrangement that other person would put that crew on his payroll for as long as the aircraft was rented. At the end of that period the crew would go back on the owner's payroll.

What really was happening was that a commercial service was being provided in this indirect way without the law, which other people had to comply with, being complied with by the individual renting the aircraft. What is perhaps more important is that the regulations in respect of safety were not being enforced.

This clause will not prohibit this practice but it will require these people to follow the ordinary rules in respect of safety, as well as those rules in respect of licensing.