

## Supply—Transport

case. I understand, unless there has been some change recently, that in order to get to Newfoundland from New York you have to go to Montreal. This is quite an expensive route. Perhaps the minister could keep this problem in mind and consider the possibility of having an air service which would link the east coast of the United States with Gander rather than routing such traffic via Montreal.

Despite the size of Gander and despite all the facilities which exist there, it is a part of the Atlantic region, if that is a correct term, of the minister's department. There have been suggestions, and I might say that I believe they are justified, that Gander should be a region by itself. In this way the officials at Gander could communicate directly with Ottawa with regard to the main problems which they have. As I said, at the present time the employees of the air lines are being transferred. There are only a few of them left. There are fewer scheduled flights going into Gander and there is a feeling that perhaps Gander does lack security. However, I am an incurable optimist and I feel this is a temporary period of low activity which new trends developing in aviation will correct. I would hope that for the sake of the people who have their life savings invested in Gander, as well as for the sake of the government which has a considerable investment there, the minister will be able to give us an assessment of the future of this airport. Perhaps I might express the hope that it would be a favourable one. However, it is more important to know the facts.

I might add that the new hotel at Gander is a great asset. If direct flights into Gander are resumed, this could very well be a tourist centre and perhaps a place where business conventions would be held. We seem to come back to the same point all the time, that Gander depends on the airport. We have a magnificent airport with magnificent facilities, and I do hope these problems receive the careful, sympathetic and effective attention of the minister and his officials. There is much at stake, both from the standpoint of dollars and cents and from the standpoint of the people themselves who have a great stake there.

In closing, I should like to mention also that the development of Labrador will depend to some extent on the construction of small airports. This is the case in northern Newfoundland as well. From time to time I have had occasion to write the minister about the needs of my area in respect of airstrips. I hope to continue to do that. I shall content myself by asking now for sympathetic consideration of the need for airstrips to aid development in the north.

(Translation):

**Mr. Pigeon:** Mr. Chairman, I should like to deal for a few brief moments with the relationship of the Bell Telephone Company of Canada with the board of transport commissioners, with particular reference to a question directed to the Right Hon. C. D. Howe in 1938, when Mr. Howe was minister of transport. As reported on page 935 of volume I of *Hansard* for the 1938 session, here is the statement made by the Hon. C. D. Howe in reply to a question from an hon. member:

We must all recognize that the Bell Telephone Company has a monopoly of a great public service in the districts in which it operates, and it is entirely sound government to provide that a public service monopoly shall be regulated as completely as possible.

The Bell Telephone Company has not even invented the automatic telephone. It has had to pay constant royalties to use it. It is inconceivable that this firm should be vested with such arbitrary and uncontrolled powers and should be able to blow hot and cold across the country, force its decisions upon any area, double the cost of service, take money from one profitable district and use it to destroy private companies providing equal and often better service. That is the purpose behind the rising rates, and no matter what we are told, no federal or provincial board can order the company to service any particular territory, or to substitute such a service for another; the board of transport commissioners has become a mere rubber stamp, it is used to condone rates on the basis of figures submitted by the Bell Telephone Company of Canada, and does not even have the authority to scrutinize the amounts paid to Northern Electric, which is 90 per cent controlled by Bell Telephone.

Here is a quotation from a speech made at one time in this house:

The part played by the Western Electric Company, Incorporated, in its relations with the American Telephone and Telegraph Company, is similar to the part played in this country by the Northern Electric Company in connection with the Bell Telephone Company of Canada.

The board of transport commissioners has to accept the statements of profit and loss as submitted, and cannot go beyond that.

The charter granted in 1880 provided that the company was to service all of Canada. It was soon realized that the company was not interested in going outside profitable centres such as Quebec and Ontario. A little later, an amendment was made to the company's charter, and with the approval of the house, it was decreed that the company could go here and there across Canada.