

*Canadian National Railways and Air Canada*

With regard to Air Canada, the service and profit picture in relation to the number of benefits Air Canada enjoys in terms of the monopoly it has in this country certainly is not satisfactory to many committee members. Service standards, labour relations within the company, the fiasco at terminal two, sales promotion expenditure and the whole question of administration within that corporation are questions that were not answered satisfactorily when committee members cross-examined the officials. We were not satisfied with the fact that Air Canada seems to be very intent on branching out into allied ventures, such as Comstock. Here again their reluctance to give committee members certain information created an aura of suspicion.

If these corporations are going to be responsible and prepared to effectively discharge their mandate, they must be accountable to parliament and the people of Canada. Otherwise, it is nothing but contempt of parliament. There was precisely that feeling in Committee that the officials were somewhat contemptuous of the committee members.

I could say basically the same about CNR. We certainly gained the impression that the railways are not interested to the degree they should be in discharging their mandate of safe, efficient and effective railroad transportation to the country. Here again we witnessed the fact that they are involved in many allied ventures, ventures which really have no relationship to the business of transportation. It is our belief that CNR should epitomize an effective and futuristic railroad transportation system. If it cannot do that, how in the name of God are we going to create an effective national transportation system by nationalizing another railroad? The government certainly has an obligation to hold these Crown corporations to their responsibilities, to force them to discharge the mandate they were given. If these corporations fail to discharge that mandate they should be answerable to parliament.

● (1530)

This leads me to another point which involves the minister. We have the distinct feeling that parliament is exercising no effective control over these corporations. But the minister is suggesting that he, on behalf of the government, has no control. He says, in effect, that the CTC is an all-powerful, autonomous group which has handicapped him in his activities to a great extent. He also implies he has no control over the railways and goes on to suggest further that in these circumstances the only solution to the crisis in transportation, the only way to overhaul the system, is by nationalizing the Canadian Pacific.

There are a number of myths associated with that assumption. One of them seems obvious to me—it is that the people who favour nationalizing the CP are of the opinion that civil servants can do the job of running a railroad much more effectively than those who are employed by private enterprise. It has certainly not been proven to me that a nationalized concern can offer rates below those offered by a private corporation, and unless supporting facts are brought to the surface, what we have here is nothing more than a simplistic, socialistic solution to a complex major problem.

[Mr. Mazankowski.]

The minister tells us that transportation is in a mess, and that the policy of the government has been wrong. Indeed, he suggests now that the government really has no policy. This is surprising, because only a year ago the same minister was stoutly defending his so-called policy. In a speech made in this House on June 19, as reported at page 4902 of *Hansard*, the hon. gentleman is reported as saying: "It must not be said we have not established a policy; we have." Then, he went on to outline the provisions of the National Transportation Act and the role played by the CTC. At the Western Economic Conference held in Calgary last July, he indicated that our transportation system as a whole was one of the best in the world, if not the best. Then, on March 7, as reported at page 268, the same minister stated:

Something we do not have is a rail policy and I hope that sooner rather than later it will be possible to have such a policy.

That is quite an admission. It is really an admission of failure. It is an admission that the past policy of the government has been a failure, an admission that if indeed, there was a policy it has not been effectively administered.

Since this parliament began back in January, 1973, we have been greatly disappointed by the attitude of the minister and by the attitude of the government with respect to discharging their responsibilities in the area of transportation. The minister's answers in the House have been flippant, evasive, confusing. And now we find they are conflicting, because the interpretation he places upon the role of the CTC is diametrically opposed to the interpretation placed upon it by the president of the commission. Only yesterday, in committee, Mr. Benson indicated that the minister has all the power he needs to over-rule the CTC. In these circumstances, I maintain that parliament ought not to put up with this kind of nonsense any longer. The minister certainly has the necessary powers. Whether he wants to exercise them or not is a matter for him to decide, but if he does not wish to exercise them then perhaps Marchand had better march along.

With regard to the minister's power vis-à-vis the Canadian Transport Commission, it might be worthwhile placing on record in categorical terms the authority the minister possesses. Section 64 of the National Transportation Act states:

The Governor in Council may at any time, in his discretion, either upon petition of any party, person or company interested, or of his own motion, and without any petition or application, vary or rescind any order, decision, rule or regulation of the Commission, whether such order or decision is made inter partes or otherwise, and whether such regulation is general or limited in its scope and application; and any order that the Governor-in-Council may make with respect thereto is binding upon the Commission and upon all parties.

That is pretty clear. The minister suggests that this power can only be used in certain circumstances. Yet he has never told us either in the House or in the committee just what those circumstances are.

He also indicates he has no power over the railroads. It is my opinion that the provisions of the Railway Act do give the minister sufficient authority to enable him to compel the railways to discharge their mandate. Subsection 100(1) of the Railway Act provides that whenever the minister is aware that a railway company which has received construction subsidies out of public funds cannot