

*Air Canada*

understand it is agreeable to discuss them together and, if necessary, to vote on them separately.

Motions Nos. 4 and 5 are separate from that group, and separate from each other. Motion No. 4 is in the name of the hon. member for Winnipeg North Centre (Mr. Knowles), and would be discussed and voted on separately. Essentially, motion No. 5 is a government amendment, designed to bring the French text of the bill in line with the English text and probably will not be the subject of much discussion or of a vote. In any case, it must be discussed and voted on separately if that is necessary. Therefore motion No. 4 will be discussed and voted on separately, as will motion No. 5. Motions Nos. 6 to 9 inclusive will be debated as a group, and voted on in a manner deemed necessary as the votes are called, if votes on those motions are necessary. If that is agreeable, perhaps I can call on the hon. member for Palliser to continue the debate on motions Nos. 1 and 2.

**Mr. Stan Schumacher (Palliser):** Mr. Speaker, I am concerned about the authority this bill would grant the governor in council to run the affairs of Air Canada. The bill would require Air Canada to report on its operations directly to the minister, and thus to parliament. That provision is desirable and we are thankful for it. But part of the price we must pay for the privilege is this: the organization will become the creature of the minister of transport, whoever he may be, from time to time.

**Mr. Knowles (Winnipeg North Centre):** Let's hope it will not be the hon. member for Crowfoot (Mr. Horner).

**Mr. Schumacher:** The present minister will not always be Minister of Transport (Mr. Lang). Politics being what it is, we can expect changes to be made from time to time, just as we can expect changes to be made in life. I think political considerations will influence the operations of Air Canada. That may be good or it may be bad. It depends how the influence is used.

I want to see this public corporation operate according to law, not according to the whims of an elected official, or of some faceless bureaucrat not accountable to parliament for his actions. At least if this bill passes we shall have the satisfaction of discussing Air Canada's operations from time to time, and hon. members will be able to voice their concern. I do not know how effective this exercise will be. I suppose the best thing about it is that because the subject will be discussed in this forum the public will be better informed. But I am greatly concerned, because the governor in council will have a great deal to say about the operations of the corporation.

Motions 1 and 2 are designed to protect the trucking industry and to make sure that in future there will not be any possibility of nationalizing our trucking industry by the back door, as it were. The industry, largely made up of small companies, by and large has proven efficient in carrying this country's freight. It has grown over the years and is the beneficiary of money spent largely by provincial jurisdiction,

[Mr. Speaker.]

inasmuch as the trucking industry depends on this country's highway network, mostly under provincial jurisdiction.

Our trans-Canada highway system has been funded partly by the federal government, but the bulk of the country's roads still are the direct responsibility of the provinces. I point out that of all freight moved in Canada, the trucking industry moves 42 per cent. When I say all freight, I include freight moved by air, water and pipeline, and freight moved by truck. We move great volumes of commodities by way of pipeline, and one may say, too, that the trucking industry, composed of a large number of fairly small operators, has put up a creditable performance.

We should adopt the hon. member's motions, I suggest, because Canadian National Railways is becoming a big operator of trucks in an already large trucking industry. I understand that the Canadian National truck system now accounts for almost 5 per cent of that 42 per cent share of the total freight-haul market trucks have captured. The company has done this despite the provisions of the existing law which theoretically should limit Canadian National's ability to engage in trucking. I understand that the courts have interpreted parliament's approval of CNR's financing as having over-ridden the provisions of legislation which says the CNR must operate only as a railway.

● (1520)

As has been pointed out, one only has to look at the other activities of Canadian National, which is primarily a railway company. It has built the world's tallest free standing structure, acquired an interest in a fleet of ships, and has a large interest in the container operations to use with those ships. According to the television commercials of CN, it is certainly trying to emulate Canadian Pacific by getting into a very diversified operation.

What I object to in this situation is that the governor in council, in other words whoever may be Minister of Transport from time to time, will feel that he has a vested interest in making the operation of Air Canada look good. A political influence is now being introduced. The minister will take the position that he must have a good annual report to present to parliament so that the heat will be off him. He will therefore be very willing to stretch to the limit something the present Minister of Transport has undertaken to constrain, the present activities of Air Canada and functions of Air Canada.

I feel an adequate precedent has been established by what has happened to CN. The same need not happen with Air Canada. There is the matter of surface transportation, passenger traffic and baggage and, as the minister mentioned, mail is being authorized. That may be proper. There may be some controversy because I do not think it is generally accepted that Air Canada should have all the mail business. The tendency of the government will be to give Air Canada more and more of the mail business so that it will have a better profit and therefore better annual report.

There will be a natural bias against the private sector. This may be all right in some areas because the private sector has