

*Air Canada*

it is one of the world's best air lines. We shall await that report.

**Mr. Knowles (Winnipeg North Centre):** Are you for or against the motion?

**Mr. Elmer M. MacKay (Central Nova):** Mr. Speaker, it gives me great pleasure to support the very logical request of my hon. friend from Vegreville for documents which, as usual, the government has refused to produce. The government invariably goes into a defensive crouch when asked to produce anything which is relevant, or controversial, or in the nature of an accounting to the country.

We have a new Minister of Transport (Mr. Lang). I hoped he would be a little more liberal than his predecessor in terms of providing information. This goes to the very credibility of the government and of Air Canada. The hon. member for Fort William (Mr. McRae) opened up many interesting areas in the course of his remarks and I hope I will be allowed a similar latitude in discussing the motion.

Air Canada has in the past been the victim of the government's transport policy, or rather lack of it. This is true with regard to the production of documents and otherwise. Only a few days ago the new minister was quoted as saying in the course of a newspaper interview that no one really expected the Liberals to make good immediately their proposals to improve rapid transit and commuter service in major urban areas. He went on to say that many of the election promises would only be carried out over 15 years or more. So once more we are reminded how much credence one can attach to policy promises made by the government particularly during a campaign. This is also very true when it comes to the production of documents.

Air Canada, of course, suffers along with the rest of the minister's portfolio from the secrecy syndrome. One might well ask whether Air Canada is really a unique, peculiar corporation, a proprietary Crown corporation as opposed to a departmental one, or agency one, as set out in the Financial Administration Act, which attempts to describe the various types of Crown corporations? Or is it a mutant in its present form, because of the way in which it has been allowed to develop under a management which cannot control it, to a point at which it may defy classification at all?

The lack of frankness in connection with Air Canada's operations as exhibited by the government's refusal to comply with my colleague's request is obviously a cover-up as is its reluctance to bring forth the Estey report—I will mention that in a few minutes.

Air Canada's performance, or lack of it, can be attributed not only to its management but to the vagaries of politics. Again, because of the government's lack of frankness, as well illustrated again today, I am sure, in denying my colleague's motion, we must speculate on the reasons for certain decisions. For example, the decision to purchase the Lockheed L-1011 jet instead of the rival Douglas DC-10 is said to have been heavily influenced by political pressure. It seems that Air Canada took options on the DC-10 and the L-1011 in the late sixties when both aircraft were in the pre-production stage and quoted substantially the same characteristics and price.

[Mr. McRae.]

In 1971, when Lockheed was on the brink of bankruptcy because of the L-1011, Air Canada announced it would reconsider the matter because of the uncertainty about the future of the L-1011 the DC-10 was proving itself a better aircraft in Air Canada's analysis. It had better range, was compatible with Air Canada's largely Douglas fleet, and had become cheaper. We have never been told why the priorities developed as they did.

The air lines executive committee pondered the selection for months while Lockheed worried and other air lines watched, but finally the decision was made to stick with the L-1011. Again we have never been told why, in the same way as we have been told today why in the government's eyes these documents are so vital that they cannot be produced in accordance with the hon. member's request.

As stated in the *Ottawa Citizen* May 23, 1975, issue:

It is widely assumed in the industry that the influence of another department (External Affairs) was one of the main reasons for the decision.

So that is likely why they took the L-1011 instead of the DC-10.

As the hon. member for Fort William said, Air Canada does have problems that are not of its own making, but it has a lot of problems that are strictly attributable to its own management.

The more types of aircraft an air line owns, the larger the spare parts inventory it must keep, and the greater the number of machinists it must hire to maintain the different engines. Until 1969 Air Canada had an almost entirely Douglas fleet with many parts interchangeable from aircraft to aircraft. It now flies Douglas, Boeing, and Lockheed equipment, and certainly this has contributed to rising costs to which the hon. member has referred. We can only wonder how and why this policy was followed.

As I said earlier, we have a new Minister of Transport. Has he shown any initiatives, any "new broom" tendencies? Not as far as we can see so far. He has not even brought in the Estey report because he claims it is not yet translated. One wonders why this was not done when it was written or a few days thereafter, by dividing it among several translators, as any good newspaper would have done.

Our Standing Committee on Transportation and Communications has not been made operative since parliament resumed after the recess. We have not had a look at Air Canada in committee since November, 1973, and at that time we were considering the 1972 annual report in the context of the CN financing bill. There is still no word from the Chairman of Air Canada concerning his oft-repeated statement that if Air Canada did not perform he would go. The only word I have heard, and my sources are pretty good, is that he has stated he will not resign in any case, and if they want to get rid of him they will have to carry him out kicking and screaming.

If the Minister of Transport wants co-operation from this side of the House he ought to consider bringing the Estey report forward quickly and acting on it. We must make changes to restructure Air Canada, refer its annual report to our standing committee and tell Mr. Pratte that, kicking or screaming or whatever, he has had his opportunity to run Air Canada and now it is time for someone else.