

years. Under the circumstances in this country today, and after the election in Manitoba, it has been made quite clear that the people want to get back to responsible government. The government which has just taken over in Manitoba gives every indication that it will be a down to earth, no nonsense government. This is what the Canadian people want.

I suggest that the hon. member for Winnipeg North Centre reconsider this motion calling for Air Canada not to be accountable, because the Canadian people are calling for Crown corporations and all government departments to be accountable. It is time we took a step in this direction. I say to the hon. member for Winnipeg North Centre that once we get on to these sound business practices there will be a lot of money for increasing pensions for veterans, senior citizens and everyone else. I therefore suggest that he reconsider his motion at this time and withdraw it.

• (1542)

Mr. Peter Stollery (Spadina): Mr. Speaker, I should like to say a few words on the motion put by the hon. member for Winnipeg North Centre (Mr. Knowles). I begin by wondering about the comments of the previous speaker, which sounded to me more like Manitoba politics than anything pursuant to the motion or to the bill we are considering. I really do not understand what this has to do with a defeat or otherwise in Manitoba provincial politics.

We are dealing now with an important Crown corporation and with a principle which has been injected into the debate by the hon. member for Winnipeg North Centre, namely, whether a Crown corporation should give first priority to making a profit or whether its first duty is to serve the public. In my view, the hon. member for Winnipeg North Centre takes the rather extreme view that we should abandon the idea of such a corporation operating on the basis of sound business principles.

Before pursuing this subject further, I should like to draw attention to the rather excellent job, in my opinion, which Air Canada has done in the past year or 18 months since the new president took charge. We all know that it is customary for people in this country to complain about Air Canada. I think it is time we paid Air Canada some of the compliments which are due to it, particularly under the management of the new president.

When I hear about the desirability of applying sound business principles to the airline business, I find difficulty in thinking of any airline which operates solely on the basis of those principles, that is, without a great deal of government assistance. The airline industry is famous for the various forms of government assistance it requires, ranging from direct subsidies to contracts for carrying mails and contracts for carrying government employees.

The purchasing of aircraft is, in itself, a complex business. We all remember what happened a year or two ago with the Lockheed experience. We know, for example, that Lockheed was selling airframes—it was not the case in Canada—to various airline companies, using very dubious procedures. The best example of an airline which operates in accordance with

business principles would, I suppose, be Pan-American, and I do not think Pan-American is any paragon among airlines. The last time I was on one, they had cockroaches in the galley. I took great interest in bringing this to the attention of the stewardess.

An hon. Member: Why were you in the galley?

Mr. Stollery: I was having a drink, of course. That is what I was doing in the galley.

Mr. Peters: It is pretty bad when you have a cockroach in the booze.

Mr. Stollery: Yes. As the hon. member for Timiskaming (Mr. Peters) said, it is pretty bad when you have a cockroach in the booze.

I think we should give credit where credit is due, and the improvement in Air Canada is due in great measure to the new management. Everyone in Canada complains about Air Canada. I think that in the last year or 18 months Air Canada has done a fantastic job in improving the service, while at the same time operating generally on the basis of sound business principles. I think we would be very remiss if we did not insist that an airline should pay regard to sound business principles, and I see no reason why Air Canada should not at least contemplate making a profit: it may not do so, but I do not see why we should tell them that they should not even contemplate a profit. If that were the approach, I think the taxpayers of Canada who have to make up the deficiency if the airline does not make a profit would not find the situation very satisfactory.

I say this to the hon. member for Winnipeg North Centre: I think Air Canada should serve routes on which it is bound to take losses, otherwise there is no reason for the existence of Air Canada. If only profitable routes were served, there would be no point in having a national airline. I also think that Air Canada should have the right to operate on the profitable routes to offset losses incurred in maintaining flights to cities which private airlines cannot possibly serve without government subsidy. Airlines and government subsidies seem to go together—this includes private airlines—and will increasingly go together as energy becomes more expensive and the cost of buying new fleets of aircraft increases.

I cannot at this time go into the various financial arrangements among the regional air carriers and federal or provincial governments. I will simply note that Western Airlines is now owned, I believe, by the government of Alberta because that government—which, incidentally, is known to be a great supporter of free enterprise—has, presumably, decided it should get into the aircraft business on the ground, for all I know, because there are parts of western Canada which require to be served by a state-supported airline.

Whether there is a credit balance shown at the end of the year means nothing because of the many forms of subsidy which can be made available. We are most unfair to Air Canada in asking them to do so many things at once. We want