

*Adjournment Debate*

25. It was a very long question, with many points raised of much interest. I should like to assure him that in a very short time I will be in a position to give an answer. In the meantime, however, I cannot, of course, accept the premises of his question.

With a little hope and a little help from my officials in the Post Office, we will come to a conclusion on this very important question which has been raised.

AIR TRANSPORT—DATE OF ANNOUNCEMENT OF ALLOCATION OF ROUTE TO MILAN AND NEW ROUTES TO UNITED STATES

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, during the course of the question period on September 17 I raised two questions, neither of which was answered in a satisfactory way by the Minister of Transport (Mr. Marchand). The first question I asked was, when would the government announce which Canadian carrier would be given the right to fly from Canada to Milan? Over the years, it seems to have been the policy of governments to chip away at the ability of Air Canada, a publicly-owned airline which was organized under a Liberal government administration. Over the years, Air Canada has given excellent service to the Canadian people. It seems to have been the desire of recent governments to make it impossible for Air Canada to provide the kind of service which it should provide to the Canadian people. In past years, regional routes have been taken away from Air Canada.

In more recent years, many of the most profitable international runs have been given to Canadian Pacific Airlines. For many years, CPA was given the right to fly to Hawaii and the Asian countries. Europe was reserved for Air Canada. For reasons which have never been satisfactorily explained, CPA was given the right to fly to Amsterdam, a most profitable and lucrative run.

Canada now has an opportunity to establish a service to Milan. It is obvious that Air Canada should be given that run, particularly in view of the recent rights given to CPA in various parts of the world. I cannot understand why the minister and the government have taken so long to make the announcement that Air Canada will have the right to fly to Milan. One cannot help but wonder what political clout CPA and its friends have with members of the cabinet.

There is another question I want to deal with very briefly. On September 17 I asked about the failure of the government in its negotiations with the United States to get for Canada a fair share of the new air routes between Canada and the United States. For every route which Canada gets, the United States will get two. As most of the traffic between Canada and the United States is Canadian, Canada should have done much better in these negotiations.

I know I speak for all the people of Manitoba when I say that Manitobans are incensed by the fact that the proposed agreement does not give Manitoba a Canadian carrier for passenger service between Winnipeg, Minneapolis and Chicago until 1978. Until then we must continue to depend upon an American carrier. I say to the minister and his parliamentary secretary, who comes from my city, that that agreement on the part of the government has

[Mr. Goyer.]

been met with universal disapproval. I would be ruled out of order if I used the kind of language I have heard in Winnipeg to describe the agreement reached by the government. I urge the minister to reconsider and then to renegotiate the agreement he has made with the United States and to provide Winnipeg with the Canadian carriers to which it is entitled, not in 1978 but now, in 1973.

● (2210)

**Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, to answer the hon. member's first question with regard to Milan, may I say that the government is fully aware of the importance of designating a Canadian airline to serve Milan. This question has been with us since last year when, under the revised agreement with Italy, we obtained the right to serve Milan in addition to Rome as well as onward traffic rights beyond Italy. The Italians, of course, received the right to serve Toronto in addition to Montreal and have been doing so since last November.

Unfortunately, it has not been possible to deal with the Milan question in isolation. Canada's international civil aviation policy is under review at the present time, including the assigning of international routes to our two flag carriers. Including among the considerations taken into account in this review are maximum benefits to the Canadian travelling public and the welfare of our airlines. The Milan designation is part of this larger issue, and the government feels the decision must await the results of this basic policy review.

In his second question, the hon. member for Winnipeg North (Mr. Orlikow) made reference to a "fair share". He did not mention this in his question of September 17 as reported in *Hansard* at page 6623. However, I will answer that question. In a market as widespread as that between Canada and the United States, it obviously would not be possible for us to participate in all the new routes from the beginning, nor perhaps is it feasible from an airline resource standpoint that we should do so. In order to meet the needs of the Canadian travelling public, it would seem sensible that new services be introduced as quickly as possible. This means that in a number of cases either a Canadian or a United States airline would have to operate the route first where the current traffic offering is not as heavy as to justify parallel services.

This was a matter for negotiation, and on some routes it was decided that some United States carriers would open the routes, with Canadians to phase in, and that in other cases Canadian carriers would open the routes, with United States carriers to phase in. For example, Canada opens the Edmonton-Calgary-San Francisco route and the United States follow in phase two. Canada opens the Toronto-Dallas-Fort Worth-Houston route and the U.S. follow only in phase three. Canada opens the Montreal-Cleveland route and the U.S. enter at the very last phase. I am sure this will be understood by the hon. member.

**Mr. Knowles (Winnipeg North Centre):** Tell us about Winnipeg.