

Air Canada

competitive and that it was made a Crown corporation back in 1908—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Orlikow: I think that any member of parliament or any citizen of Canada who wants to compare the record of the publicly owned telephone systems of Canada—there are a number of them—with the privately owned systems in Quebec, Ontario or British Columbia, will find very quickly that the publicly owned system offers as efficient a service at a cheaper rate than Bell Telephone and B.C. Telephone. The record is there.

But I want to come back to Air Canada—

Mr. McKenzie: Mr. Speaker, again I rise on a point of order. If the member wishes to continue to speak about telephone companies or Crown corporations, we are going to turn this into a debate on how to run a telephone company in a large city or a small city.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. McKenzie: The hon. member knows nothing about this.

The Acting Speaker (Mr. Ethier): Order, please. I do not recognize the point made by the hon. member as being a point of privilege or a point of order.

Mr. McKenzie: I want to protect myself, Mr. Speaker. He is putting words in my mouth. I must have some avenue in this House to protect myself. I want to speak out against this.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member might be offended by the comments made by a previous speaker, but surely what he is saying is a point of debate, not a point of privilege or a point of order.

Mr. Orlikow: I do not mind the hon. member for Winnipeg South Centre interrupting me. The more he speaks, the more he proves to everybody who will listen that he does know what he is talking about.

Some hon. Members: Hear, hear!

Mr. Orlikow: I do not mind his interruptions, Mr. Speaker, provided you keep track of the time which he has taken on his spurious points of order and make sure that I get whatever time members are permitted to have.

Mr. McKenzie: On this point of order, Mr. Speaker, are we going to open this up to a debate on Crown corporations? This afternoon I spoke on subsidization of air routes. This gentleman does not know what he is talking about.

Some hon. Members: Order!

The Acting Speaker (Mr. Ethier): As I have already explained to the hon. member for Winnipeg South Centre (Mr. McKenzie), the point he is making is a point of debate, an argument. It is neither a point of order nor a question of

privilege, and I think we should hear what the hon. member for Winnipeg North has to say.

Mr. Orlikow: It is very clear to any member who wants to look at the record that Air Canada has been and is an efficient organization. If you compare it with other airlines in Canada or outside Canada, you find that its record is an excellent one and that its performance is efficient. Air Canada has had difficulties, as have all airlines in recent years because of the tremendous increase in the cost of fuel. But if you compare Air Canada with other airlines, you see that on the whole it has done a very commendable job.

In 1976 Air Canada carried more than three times as many passengers as CP Air. It generated 157 per cent more passenger miles than did CP Air, while incurring only 6.5 per cent greater total loss. We know that CP Air has the profitable runs in this country, that it has the long hauls between the popular centres. It flies from Vancouver to Winnipeg, to Toronto and to Montreal, while Air Canada has the short hauls which my friend, the hon. member for Fort William (Mr. McRae), has to use if he wants to come from Thunder Bay to Ottawa to do his job as a member of parliament. So when it was proposed, as it was proposed recently by CP Air, that its share of the transcontinental routes be increased from the present 25 per cent which it has to 45 per cent, the new president of Air Canada, Mr. Taylor, said the following, and I quote from an interview which he gave to *Maclean's* magazine:

I think that is a totally predictable position for CP to take. If I were in their position, I would probably take it too. I would just look at the routes that you can make money on, the ones where you can really make money without any dispute. Toronto-Vancouver, Vancouver-Montreal, Calgary-Edmonton-Toronto: CP provided over half of the capacity on these routes. In other words, they put all their 25 per cent on those big routes so that we (Air Canada) were doing the Montreal-Torontos, the Toronto-Winnipeg, the Winnipeg-Reginas, the Calgary-Edmonton-Vancouvers . . .

That is the situation at which we have arrived by taking away from Air Canada some of the best routes in Canada and giving them to CP Air. What we have also permitted CP Air to do over the years was to get out of the short haul routes in which they were involved when they first organized their company and let them get into the very profitable long haul routes. The result is that the CP Air route structure has a higher percentage of long haul flights than Air Canada's route structure. In 1974 the average stage length was 563 miles for Air Canada but 937 miles for CP Air. That is the non-stop distance between airports. Despite this, in all but one of the past 16 years Air Canada has had a higher load factor than CP Air.

● (2042)

In my remaining few minutes I want to deal with the whole concept—which the minister has been advancing ever since he took over the portfolio—of a profitable or commercially viable airline in Canada. That concept is a myth. There is no air carrier which would be commercially viable without the almost \$500 million of public assistance. I am talking about the cost of meteorological services, air service administration and capi-