

ing factor; the peaks went up at the weekends and down during the middle of the week. But why could they not put on an extra plane at the weekends to take care of this situation? Again, as I say, I do not know very much about the running of an airline.

Honourable senators, in a circular letter to the staff issued some time ago, Mr. Baldwin seemed to be concerned about the morale in the airline. I might say here that after I made my brief comments about Air Canada on March 2, my telephone started to ring and I began to receive letters from the airline employees. What they say certainly does not agree with what Mr. Pratte says about the morale of the staff being higher. As a matter of fact, Mr. Pratte said that as a result of the reorganization, the relations among the administrative personnel were never so good. Well, I can readily believe this. He has a nice cozy club going there. But if you talk to the people at the front desk, the baggage handlers, and the stewardesses, you will soon realize that they do not feel so happy about it.

In this connection I should like to quote Mr. Baldwin's letter to the employees which seems to be at variance with the evidence given to the committee of the other place. This letter was issued some time in February or March, and is from the president to all airline employees:

I am concerned about an apparent increase, just in the last few weeks, of public complaint about some areas of our ground service, covering reservations, counter sales and check-in. New programmes in this connection will emerge from the Customer Service Sales Management Programme and Aircraft Services Programme, but some analysis of the nature of and reason for this is needed and the matter will be discussed at the next meeting of Regional Vice Presidents. Hopefully, as a result, we can develop comments and suggestions, since our competitors will benefit unless we can find the source of the difficulties and achieve improvement.

That is hopeful, but the staff are still complaining. If you are booked on a plane that is late you can hear the boys shunting baggage underneath and you realize that one of the reasons why the plane is late is that there are insufficient baggage handlers. At Toronto airport they have not enough staff on the front desk.

In the meantime, vice presidents have been blossoming like flowers in spring. I will mention only a few of the new ones. They may, of course, be estimable men. One is Mr. D'Amour, Vice President of the Eastern Region. Another is Mr. Jasmin who is a first-class public relations man. There is also Mr. Ménard; Mr. Mercier, Director of Labour Relations; and Mr. Jérôme, Director of Promotion. Are there no people in western Canada who are capable of becoming vice presidents? All the men I have mentioned are from the east. And so it goes on.

I have been receiving a number of letters from airline employees. I will not give the name of this one because he is a manager and might probably be fired if his name were used. He writes:

Our people at airport counters have tried to give out an official company complaint form to the many

dissatisfied passengers. But an order came through that the forms were not to be given out. It appears that no one wants to know how things really are from the customer's standpoint. A friend of mine asked where were these complaint forms and he said "There are none."

Perhaps I am a suspicious character, but my hunch is that there are so many complaints that the company does not want to hear any more.

When reading the annual report one will find an increase in head office administrative services. In 1969 the cost of general administrative services was \$18,135,000 and in 1970 it was \$23,781,000, an increase of \$5.65 million in one year. It could be that salaries have gone up a little, but when you have a proliferation of vice presidents, no matter what company it is, they all have to be housed and their offices must be furnished in the style to which they have become accustomed, and this means a proliferation of expenses. This increase in administrative overhead is being made at the expense of those who are serving customers in the front line at the counters, in baggage handling, and so on. That is another reason why we should take a look at this matter.

There is also the question of supersonics. Air Canada has paid out \$865,000 towards an order for an SST. The president has said the company will get this money back. I should hope so, because I see no justification for having a supersonic airline in Canada for a long time to come. It is a question of where we are going in the airline business. All airlines are in trouble because they are buying bigger and faster planes, and are pricing themselves out of the market. We need to ask ourselves some questions about that.

I noticed that the auditing of Air Canada is carried out by a reputable firm of private auditors. That may be necessary, but I wonder why the Auditor General does not enter the picture. Probably he has too much to do. It could be that he should use a private auditing firm who would work in co-operation with him.

I am told—I cannot vouch for the truth of this, but it comes from a very reliable source—that the company changes its auditors every two years. This is a multi-million dollar business and I would think that any auditing firm, no matter how smart, would spend the first year getting acquainted with the business and in the following year would be reasonably efficient regarding its auditing duties. If this is true, then to change auditors every second year does not make sense. Mr. Sharp, when he was Minister of Finance and this matter was raised, said "Well, the airline business is a very competitive business." I agree. However, if the books of the company could be audited by the Auditor General they would be open to all, and Air Canada would have no secrets from anyone, including CP Air, that other airline of interest to Senator Manning. All Crown corporations spend taxpayers' money. Although companies such as Polymer do a good job, the public have a right to know a little more about what is going on in connection with Crown corporations. The question of whether there should be some