

*Canadian National Railways and Air Canada*

less attractive than the inconvenient schedules now make it. Where is the sense in that?

Then we look at Air Canada and CN, the two major Crown corporations in the transportation industry, and we see an even greater conflict between the expressed policies of our government and the actions of its agencies. Air Canada has consistently operated in a manner directly opposed to current expressions of government concern about our concentration of population in major urban centres and the desirability of removing regional economic disparities. In so doing Air Canada, and TCA before it, consistently misrepresented, dissembled and outright lied without having ever experienced even the mildest reprimand from the federal government which is supposedly its master.

In 1948, Winnipeg was the headquarters of TCA. Today only about 1,400 of Air Canada's employees find jobs in Winnipeg. Moreover, significant numbers of those carried on the books as Winnipeg employees, I am reliably informed, now find themselves on perpetual three to six months' temporary assignments to Montreal and Toronto. Further, better than a third of Air Canada's employees located in Winnipeg are engaged in accounting functions in the financial section. We have learned that Air Canada has ordered a new computer which will be capable of carrying out many of the functions now discharged by employees of the Winnipeg financial section. Where is the new computer centre to be located? In Montreal, of course—a city with a population of 2½ million. Specifications for the equipment, for which a tender has now been let, specify only remote terminals for Winnipeg. Why? Well, Air Canada says that it is more efficient to have the computer located as close as possible to its prime users. That statement is arrant nonsense in a world of instantaneous communication by telephone, teletype, electronic data transmission, and so forth.

Because of modern communications methods, computer centres for electronic data processing can be located almost anywhere, even thousands of miles from the user of the services or the head office of the organization, with little or no functional difference in the operation's output of the centre. The computer's raw material is information; its finished product is information, and information can be transmitted electronically by cable, satellite or microwave. Information is thus almost completely freight-insensitive. Nevertheless, in direct contravention of at least two key government objectives, decentralization and elimination of regional economic disparities, Air Canada is locating its computer in Montreal.

If hon. members require factual data rather than theoretical argument to convince them that the computer could just as well have been located in Winnipeg, let me draw these facts to their attention. United Airlines, in the United States, has its head office in Chicago. Its main reservations computer is in Denver. Its overhaul base and computer for overhaul are located in San Francisco. Eastern Airlines has its head office in New York city, yet its computer centres are located in North Carolina and Florida. Clearly, Air Canada could have assisted in the regional development of computer processing skills, but it chose not to do so and the government has said nothing. Air Canada has promised no reduction in employment in Win-

[Mr. Rowland.]

ipeg as a result of its decision. Leaving aside any consideration of the calibre of the jobs to be left in Winnipeg, permit me to say I view Air Canada's promises with a highly jaundiced eye.

Let me review the record. In 1948, the Right Hon. C. D. Howe, then minister of transport, stated that 95 per cent of TCA's activities would remain in Winnipeg. In 1948-49, TCA moved its headquarters' personnel to Montreal. In 1949, appearing before a federal transport committee, the president of TCA said:

TCA's long association with Winnipeg has been a very happy one and will continue as long as I can see.

In 1950, the staff of the TCA publications department, the company stationery department and a number of technical functions, were moved from Winnipeg. In 1950, J. C. Bain, maintenance manager of TCA, stated that it would cost \$1 million per year over ten years to move personnel, clearly implying that such was unthinkable. In 1951, a major portion of the engineering department and the radio technicians were removed from Winnipeg. In 1952, it was the communications laboratory. In 1956, it was the radio shop. In 1957, following assurances by the president that overhaul operations would not be transferred, a further 100 employees were removed to Montreal. In 1960, the instrument shop and processing laboratory were moved. In 1960, engine overhaul and stores were moved. In November, 1963, then Prime Minister Pearson said in this House:

I am therefore now able to announce the change from the previous expectations announced a year ago that the overhaul and maintenance base in Winnipeg will begin to be phased out early in 1966. For at least as far ahead as planning now extends, that is at least ten years, the Winnipeg facilities will continue to be used.

On October 5, 1967, Air Canada announced that it intended to close the base, and that has been done. So forgive me if I do not believe a word Air Canada says. Winnipeg wants that computer centre and by any standards you care to apply, moral, economic or political, Winnipeg has a right to the computer centre. If the federal government really means what it has been saying about western economic development since October 30, 1972, let it begin to offer concrete proof of its commitment by instructing Air Canada to locate the computer centre in Winnipeg. If management does not like it, find a new management, because there is certainly no point in having a Crown corporation if that corporation does not act to assist in accomplishing the stated goals of government, and even less point if it acts directly contrary to government objectives.

I will go further. There are rumours that Air Canada wishes to purchase a number of Boeing 727s and 737s. If this course is pursued, then I would suggest Air Canada should be instructed to establish a Boeing service centre in Winnipeg capable of maintaining not only its own Boeing aircraft but also those of the Canadian armed forces and regional carriers which lack appropriate major overhaul facilities.

Alternatively, Air Canada could contract out its Boeing maintenance to the CAE in Winnipeg, thus enabling that company to provide a Boeing maintenance facility. In any event, let us get some of the highly skilled jobs now increasingly concentrated in central Canada out west or into the Atlantic provinces. In this case, because of its long