

get a little more gin while flying. That is a lousy argument for a national transportation system. If you look at the sad history of transportation in this country, you will see that the whole air transportation system has been sabotaged into inefficiency by those kinds of demands.

Trans-Canada Air Lines, Air Canada's predecessor, was a fine airline. It had one of the best records in the air. It was efficient and profitable at a time when nobody wanted to touch it. However, we in Canada are not satisfied with that kind of thing. Businessmen could not stand having a government enterprise work, so they systematically set out to destroy it. I level the charge at the business community in Canada for destroying air transport in Canada. They are the ones who use the airlines and who made the ridiculous complaints about service. They said they must have a choice. What do they care? They just write it off under income tax. They talked about efficiency and profitability, yet they destroyed air transport in Canada with their silly arguments about the canapes being too dry, and the gin not strong enough. That is why we have competitive airlines in this country.

We had an airline that was a model of its kind, and we set up an enemy for it. We could not stand our own prosperity, and destroyed our own child. On this issue of public ownership, Liberal and Conservative governments see eye to eye. It is very convenient.

**Some hon. Members:** Oh, oh!

**Mr. Saltsman:** When it comes to private enterprise, they put their hands over their hearts and say, "That is the answer". The Liberals have always done that. The Tories should know better. Sir John A. Macdonald would be ashamed of them. I say this with some degree of feeling. Why did they create competition for Air Canada? To begin with, the government starved TCA. It was only after there was competition that they allowed them to expand and obtain proper aircraft. We had the makings of a fine air transportation system. The consequence was that with competition came increased costs and reduced service. The businessman was happy because he could threaten to go from one airline to the other. What a terrible cost to this country in order to satisfy that kind of silly carping demand! How long is a person on an airplane? It is usually only about an hour. If the coffee is not quite as good as it should be, big deal! I do not fly on airlines in order to drink coffee.

I know the minister will see this bill pass through the House. That is his responsibility. I do not know how he feels about it personally. It is a government bill, and the minister accepts the responsibility to put it through the House. I ask the minister to think about what I am saying. What is the virtue of public ownership? I do not see any particular virtue. I have never been hung-up on ownership one way or the other. I am not making an ideological argument that public ownership is better than private ownership, or vice versa. The argument I make is that the nature of transportation, the need to conserve energy, the need for forward planning, and the large amounts

### *Air Canada*

the government spends to build airports and the infrastructure, calls for a monopoly situation.

Competition in internal air transport is ridiculous. International competition is sufficient. You cannot have an efficient airline by cutting its throat. It is not an efficient use of resources to have planes flying with half loads. You need a monopoly in order to have efficiency and, as some of my friends say, profitability. The question of public ownership does not arise because of an inherent virtue in public ownership, but because of the question: To whom do you give the monopoly? A case can be made that monopoly in transportation is the way to go. If you make that kind of case, to whom will you give it? You could give it to a private company. I guess that would work. We do that in the case of Bell Telephone. Or you could give it to the government because the government has to underwrite the private company, anyway. If the company fails to do certain things which are in the public interest, the government is asked to pay for it.

● (1632)

I listened with great interest to the intervention of the hon. member for York-Simcoe (Mr. Stevens) yesterday. When he had finished, I directed a question to him. He wanted to place the airline on a basis of some sort of profitability, and I asked him, "What do you do about the small places where it is not profitable to go, places where it doesn't pay?" "Oh," he said, "you subsidize". Surely, that is the worst kind of illusion, whether you subsidize externally or internally. External subsidization may in the end be more expensive, because you run into a situation where the ones who are paying the subsidy—in this case the government—try to make a case that the subsidy is not needed, where as the ones applying for the subsidy certainly have a tendency—I will not say they cook their books; they are not dishonest people—to present the best possible case for their need of assistance and call attention to their poverty. So you end up with two bureaucracies tearing away at each other, each trying to prove the other wrong. Before the matter can be decided, both of them must appear before a third bureaucracy which is called the Transport Commission.

Some day we shall get public ownership, not because anybody is going to listen to the arguments of the socialists but because people will get tired of this whole mess, people arguing with each other back and forth, as is the case with the Bell Telephone, one side wanting to raise the rates and the other side wanting to lower the rates, politicians getting in the middle and a board trying to decide the whole thing.

People will throw up their hands in despair and say, "For God's sake place it under public ownership and be done with these lawyers, these accountants, these bureaucrats, these computers, these inputs and outputs and the regressive analyses that no one can understand". They will say, "Let us run it on that basis". So socialism will come in with a whimper, rather than with a bang, and for different kinds of reasons.