

Air Canada

We should remember that in Canada air travel is one area in which some competition could exist as compared with, say, railroads where we have only two main railroads which are more or less synonymous with each other and there is not much choice. There is the CNR with a government-appointed board of management, as opposed to CPR as a private corporation. But the boardrooms of both railroads are probably not all that different. And I suspect that the boardrooms of the large air carriers, Air Canada and CP Air, are not all that different from each other, either. I therefore feel that in air travel a certain amount of competition can be engendered.

The hon. member for Fort William (Mr. McRae) mentioned that Air Canada gave service to communities. Well, I can tell him that in northern Manitoba Air Canada never gave any service to the communities there. It was always provided by private airlines.

It is generally considered that if we are going to see the operation of north-south air routes which are reasonably viable, then some of the east-west air routes have to be given to these small private companies in order to make their operations profitable. There just is no way that fares on North-South routes will generate enough income for the companies concerned to remain viable.

We might consider what I understand has happened on the American scene. They have tended to let the larger airlines—those equivalent to Air Canada—fend for themselves. Where subsidies have been given they have gone to what I might call the secondary or tertiary airlines. This is something we might well examine.

Air Canada does not compete in very small centres. It does not compete in my centre. There is at the moment a proposed prairie regional air route encompassing Dauphin, Yorkton, Brandon, Saskatoon and Regina. Nobody seriously considers that Air Canada would be interested in running them because it is recognized that, with the large corporate structure they have, it would be impossible for them to run on routes such as these. It is important to realize that on these smaller routes throughout the country Air Canada cannot operate. There are hundreds of thousands of Canadians who are paying to subsidize Air Canada but who can never take advantage of even taking a ride on an Air Canada flight.

In connection with whether Air Canada should be run along profitable lines there is a report in the *Montreal Gazette* on October 28 which might be interesting. It states that Air Canada is shifting many of its employees from Montreal to Toronto, causing consternation among the maintenance workers in the union. The reason for this is fairly simple. It appears that Mirabel is not at all successful, that travellers prefer Toronto because it is more convenient, and Air Canada, in order to stay in business, presumably has to transfer much of its maintenance staff to the city of Toronto. Many people bypass Montreal and have chosen to go through New York when going abroad.

Air Canada should be charged with running a reasonably profitable organization conducted in accordance with business principles. Travel is not something which, by and large, ought

to be subsidized out of the taxpayer's pockets. There are certain regional areas where travel is necessary and where transportation must be assisted. But by and large, if the public does not pay for its own travel costs, surely the taxpayers as a whole should not be required to subsidize the movement in any great quantity.

● (2022)

There has been some talk of travel for Canadians at a reduced rate. Supposedly we are in an energy crisis situation, and we recognize that one of the greatest users of energy is travel. It is interesting that in the concept of national unity it is said we should have cheap or free travel all over the country. This does not make sense in that the price of energy is rising and we in Canada are not blessed with a lot of cheap energy very far into the future. Some are suggesting that in the early 1980's we could have a real shortage.

I should like to support the idea that Air Canada should be run on sound business lines, and it should be run with the idea of making a profit, subject to the recognition that certain areas in this country are disadvantaged and need assistance. This should come out of the treasury so that it is recognized as a subsidy for that particular area.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I believe that what is important in this bill is not what is written in the bill but the implications of policies which will flow out of the power given to the government and to the minister, if and when this bill is passed.

The bill itself is rather simple. It provides for the setting up of Air Canada as a separate Crown corporation, split away from the Canadian National Railways which presently owns all of the outstanding shares, and some rearrangement of the financial matters which will be necessary.

We have no objection to that, but on top of that the bill gives the government a great deal more power over the direction and the policies adopted by Air Canada. The minister has expressed a concern about commercial viability. Also he expressed the need for greater competition and for the corporation to show a profit. The minister's obvious lack of concern in regard to the needs of Canadians for service, particularly in those areas which are not on the main routes of any airline, bothers us.

I am not surprised that the hon. member for Fort William (Mr. McRae) spoke as he did a few moments ago. I am surprised at the manner in which members of the official opposition have talked, when so many of them come from areas which are not on the main lines. These areas will really feel the pinch and will experience a reduction in their services if Air Canada is required to have, as one of its major objectives, the showing of a profit.

The fact is that in most years Air Canada has shown a profit in terms of actual operation. The fact is that Air Canada is an efficient organization. The fact is that in recent years, if Air