

Air Canada

of profit. If we have a capital of \$350 million, up to \$750 million, and there is not a comparable profit on that capital, there is no way that shares in Air Canada can ever be sold to the private sector. That is another reason why we need this provision in the bill.

As the *Globe and Mail* indicated yesterday, most airlines in Canada have turned the corner after two years of heavy losses and it is now contemplated they will be on the profitable side. That is all the more reason we should say to Air Canada, "We are giving you this relatively large amount as far as authorized capital is concerned," if that \$750 million is issued, which will mean Air Canada will have the largest issued capital of any airline in the world, so surely the least we can say is, "Run your airline at a profit."

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I wonder whether the hon. member for York-Simcoe (Mr. Stevens) would accept a question.

Mr. Stevens: Yes, Mr. Speaker.

Mr. Saltsman: I was interested in what the hon. member had to say. A problem arises from his argument, at least in my mind. It is one we are trying to deal with in the amendment now before the House. There are many areas of Canada which, if they had to be served by an airline intent only on profit, would simply not be served. The rationale for Air Canada in the first place was to establish an airline, not because the government was socialist in those days but simply because the private sector was unable or unwilling to service this vast country.

The hon. member suggests we go to a profit-oriented airline. It would not be difficult for Air Canada to do that. The easiest way would be simply to lop off all those areas it serves now which do not pay. That would isolate many people in this country, or put them in the position of having to pay extraordinary rates in order to get service. I would like the hon. member for York-Simcoe to address himself to that particular problem. How would he deal with it?

The Acting Speaker (Mr. Ethier): Order, please. Before permitting the hon. member to answer the question, I must seek the unanimous consent of the House because the hon. member for York-Simcoe previously used up his allotted time. Is there unanimous consent?

Some hon. Members: Agreed.

● (1642)

Mr. Stevens: I do not believe the hon. member for Waterloo-Cambridge (Mr. Saltsman) was in the House last evening when I dealt with the specific question he has raised. I pointed out that the bill before us, in clauses 8 and 9, covers the very point to which he has referred. Those clauses contemplate that there may be areas in Canada which Air Canada might feel it could not serve in a viable or profitable way, in which case the government can ask Air Canada to serve such areas. Any losses are then to be calculated and charged to the treasury.

This is the point I am getting at: I think it is important to make a clear decision between running a service because you think it is in the public interest, and asking an airline to run a good, efficient, profitable undertaking. The socialists get into trouble because they confuse those two things. We in this House have every right to decide whether we feel public money should be used to provide an air service in certain areas. That is a matter of policy. But it should be public knowledge and we should understand exactly what we are doing.

If it costs \$10 million or \$100 million, the public has a right to understand what is being done. The socialist says, "Gloss it over. Don't expect the company to run at a profit, because the name of the game is public service". That approach usually results in no profit being made, because it leads to the building up of a bureaucracy and commitment to all kinds of expenditures in the name of delivering a service. We ought to keep the situation crystal clear. Air Canada, given the amount of capital at its disposal, should be expected to run as profitably as any comparable airline. If it feels it has unprofitable runs, let the corporation come back to us openly and ask for a subsidy. If it is warranted, that subsidy can be granted. But keep the record straight; do not gloss it over as all socialists gloss it over, building up these bureaucracies in the guise of somehow or other serving the Canadian public.

The Acting Speaker (Mr. Ethier): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Mr. Knowles (Winnipeg North Centre): Carried.

The Acting Speaker (Mr. Ethier): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Pursuant to Standing Order 75(11), the recorded division on the motion stands deferred.

Mr. Ellis: On a point of order, Mr. Speaker, I do not recall there was agreement to defer this vote. There was agreement yesterday to defer any vote until three o'clock today, but there was no agreement to defer this vote today.

An hon. Member: It is by rule, now.