

*Supply—Industry*

that the maintenance of two bases will result in a loss to your corporation, that loss will be borne by the government of Canada, in other words, by the people generally.' That would be in keeping with the policy that has been pursued within this country on a great many matters over the years. The government has undertaken subsidization of railway development, shipbuilding and many other enterprises. Air Canada itself is a government operated crown company. It is owned by the people of Canada. It works for the benefit of the people of Canada. It is not a private enterprise looking for a handout. Therefore it is in a different position from some other enterprises. Nevertheless, in the interests of general development in Canada, generation after generation the government has made it possible for industry to develop.

One field in which we have seen great government activity has been that of railway development and building. Looking to the future the government would be well advised to reconsider the situation with regard to Air Canada and its overhaul and maintenance bases. It should decide as a matter of policy for Canada that the second overhaul and maintenance base should be maintained in the city of Winnipeg.

That base has been there for a long time. By virtue of its existence it has built up a strong force of highly skilled labour. There is also a social aspect which must be taken into account by a government. It could not be taken into account by a commission looking at just the economic aspects, but when it comes to a social aspect this is where a government should play and frequently does play an important part.

The social aspect means the uprooting from the city of Winnipeg of approximately 1,000 highly skilled personnel with their families, and the shifting of those people from western Canada to the city of Montreal. That is uprooting people in a very serious way. We are quite familiar with the mobility of our population, but when there is a major uprooting like this I say the government is obliged to take a second look at the matter.

Let us quite frankly accept the fact that on an economic basis Air Canada cannot support two overhaul bases, but from a government viewpoint the second base in the city of Winnipeg should be maintained. It has been pointed out in various arguments presented to various commissions, and certainly to the Thompson commission, that in case of danger, international warfare or some serious trouble,

[Mr. Churchill.]

accident or natural upheaval, a base might be put out of action. I quote from page 119 of the report to that effect:

In several submissions it was suggested that Air Canada should have not less than two overhaul bases in the event that by reason of war, insurrection, act of God, explosion or other disaster, one was disabled. Any of these contingencies could occur at Winnipeg or at Dorval, but of course the result would be more serious if it occurred at one base and there were no others available.

The cost of duplicate facilities would be a significant annual insurance premium, which other air lines do not seem to assume.

Air Canada stated that in the event of a contingency at Dorval recourse could be had, so far as airframes and components were concerned, to the C.P.A. base at Vancouver . . . . Air Canada also filed correspondence and memoranda indicating that there was in existence a North American pool of technical facilities and services for standby services should an air line's overhaul facilities become crippled. There are at least seven facilities in the U.S. where DC-8's, and presumably in due course DC-9's, can be overhauled.

Air Canada is an informal or associate member of this pool. It does seem to the commission that Air Canada could profit by close liaison with and development of the pool. Beyond that comment the commission has no recommendation to make.

● (4:30 p.m.)

I suggest, Mr. Chairman, that despite the fact that there may be places elsewhere in the North American continent where assistance could be given in the event of a disaster at the Dorval maintenance base, we should not rely on that. This means we are relying on the United States for assistance in time of trouble. If this is so, there may be no opportunity at all to rely on the United States bases; they themselves would be subjected to the disaster which would follow a missile attack on this continent. As a nation which prides itself on its wealth and its development, I think Canada should stand on its own feet. I would suggest to the government, on the basis of national defence alone if for no other reason, the overhaul and maintenance base in the city of Winnipeg should be continued. If there are additional charges, and I expect there would be, this would be a proper charge against the Departments of National Defence and Defence Production.

We maintain shipbuilding facilities on both coasts of this country.

**Mr. Drury:** For economic reasons.

**Mr. Churchill:** Not solely for economic reasons. We do so because it is cheaper to build the ships in eastern Canada than it is on the west coast. I can say that, having sat in on several policy decision matters related thereto. I suggest that our shipbuilding facilities