

Air Canada

of the House, and give Air Canada the kind of tools and mechanisms that they need to do the job.

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I should like to say only a few words at this time about the motion which has been proposed and about the remarks just made by the hon. member for Vegreville (Mr. Mazankowski). I should like to say, first of all, that I welcome him back to his role in the transportation field. I think it is a very important task and I am glad to see him in that role. I may say that I was delighted to hear him repeat the words of praise of his predecessor as transportation critic. When I recommended the appointment of the president of Air Canada, I was very pleased to hear the kind words of praise from his predecessor. Now it is even more wonderful, after a good period of operation by the president, to hear those words confirmed by the hon. member for Vegreville.

I appreciate his remarks and I thank him, also, on behalf of the president of Air Canada, because I think it is an airline which is doing an increasingly good job. Our purpose in the House today is to ensure that under the bill before us Air Canada is free to do just that, and to do it more effectively. It is for that reason that I join the hon. member in opposing the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles). The acceptance of that amendment would defeat the spirit of this bill.

The bill represents a significant step in the course of Air Canada's history, because it is a demonstration of the belief by the House of Commons that the airline has come to a certain stage of maturity at which it should be freed from the burdens of special government obligations, and at which it should also be relieved of the special advantages which have sometimes been given to it.

● (1612)

The bill does that with regard to contracts. It does that in requiring Air Canada to apply for licences in the ordinary way. It does that by setting up a system in which we hope Air Canada will engage with other airlines in special services which are not justified on an economic basis, whereby we can make it possible for all the airlines to offer to provide those services and have competition between them as to which one will provide the services most effectively. In all these ways we are recognizing that there is a possibility now for the airline, which was created in 1937 as Trans-Canada Air Lines, to be in full competition without special burdens or privileges from the government or from the structure by which it has been created.

I think what has happened is that time and circumstances have changed. In putting this bill forward, I do not disagree at all with the spirit which moved the Hon. C. D. Howe in 1937 when he saw the need to put Trans-Canada Airlines together to provide national airline services for this country. But times have changed, and I am rather sure that the Hon. C. D. Howe would fully agree with the change which is being made here, in

[Mr. Mazankowski.]

that the airline situation has reached that degree of maturity where we can free it in order to compete.

The Right Hon. C. D. Howe would fully agree that the special position of Air Canada in relation to the government is no longer a necessity. Indeed, the spirit of competition was difficult in the airline industry as long as special obligations and special burdens existed. I am, therefore, very interested in seeing this bill move forward and the whole new status of this corporation recognized.

I emphasize that it is a matter of this House and this government recognizing that where it is possible for a private sector-like operation to do a job effectively, that indeed is where it should be done. We are, in effect, giving the airline that kind of status while not yet having decided that, as owners of the airline, it is commercially right or the time to dispose of our investment interest in it. I see this happening with Air Canada and I see it happening with Canadian National, both of which now have good, strong management teams which can pull the airline and the railroad, respectively, forward effectively. I foresee both of them making profits over time as their effective operation continues.

I emphasize that where we want a service performed as a matter of public policy, it is seen by us to be our obligation to quantify the cost and to be prepared to pay it, rather than impose it in a hidden fashion upon other users of the service. It is because the amendment here moved would seem to negate that spirit that I, also, will oppose it and hope that other hon. members will do so.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was quite perturbed by the remarks of the hon. member for Winnipeg South Centre (Mr. McKenzie). However, he does not hold a candle to the Minister of Transport (Mr. Lang) who, if I heard him correctly, has almost reached the stage where he is about to sell CNR and Air Canada. He says he can see the day coming when we will sell the profitable parts and keep the unprofitable parts to provide service. The Minister of Transport certainly has a friend in the Postmaster General (Mr. Blais), who feels he should get into the field of establishing his own ground carrier system in competition with some of the other carriers.

It always surprises me when I hear people such as the hon. member for Winnipeg South Centre say that one of the problems is that this service has to make a profit and fit into the good old free enterprise system, or that governments should not run anything except to break even or make a profit. I asked one of my colleagues about the background of the hon. member for Winnipeg South Centre, because I thought he was a rich entrepreneur, like many other hon. members, who had speculated in mining ventures, in oil, the stock market or something of that nature. It is very interesting to learn that he is only an embittered employee of a government-run organization.

He comes to Ottawa and takes out his frustrations on a Conservative-established Crown corporation, the Manitoba Telephone System. That was established, I understand, in