

Air Canada, in that case, would not raise enough money to alleviate its debts. And because of its mixed public and private ownership, it could also have difficulty raising additional money from lenders confused about who is really in charge.

Air Canada says it needs new planes to remain competitive. It has been estimated that that will cost somewhere between \$3 and \$6 billion. The Government proposes that the sale of shares would bring in somewhere between \$300 or \$400 million. That is certainly not enough to meet the needs of Air Canada.

The article goes on to state:

Critics think that because of its heavy demands for capital, it is unlikely Air Canada will pay shareholders any dividends for a long time.

If shareholders do not see dividends from their investments, why will they invest? As this article states, that is why the shares will have to be offered at a relatively low price.

There is a requirement in this Bill that Air Canada maintain its facilities. The article points out that none of the private sector competitors face these conditions which the Government is imposing on the company, because the Government knows if it does not do that it will incur the wrath of the employees and the people in the cities in which Air Canada has those facilities. What are these conditions? In the article it states:

The conditions include: Keeping free maintenance bases in Winnipeg, Toronto and Montreal; keeping the company's head office in Montreal; and maintaining its bilingual status. In addition, Ottawa wants the shares to be broadly held, with no one owning more than 10 per cent.

The article further states:

Steve Garmaise, analyst with First Marathon Inc. of Toronto, said Air Canada's problems will be compounded by the fact that, in the current market, "you can't convince anyone to buy airline stock".

While meeting the conditions would provide no immediate difficulty to Air Canada's management, they would remind investors they were risking money in a company that was neither fully Government owned nor fully in the private sector.

The article quotes William Stanbury, a Professor of Regulation and Competitive Policy at the University of British Columbia who stated: "This would be a factor in the investors' minds no matter what the Government says about not exercising any control over the airline." He went on to say: "Politicians can do strange things when they get into heat for votes".

The article further states:

The critics would have preferred that Ottawa sold the airline in one go, a move similar to those by the British and Singapore Governments when privatizing their national airlines.

Why did the Government not do that, Madam Speaker? It did not do it because it was not prepared to take the political flak and the political opposition which it knows it would face if it had proposed a total privatization of Air Canada.

The article goes on to state:

"You have to start from the position of whether there is a public policy role for the airline," said an adviser to the Government on the privatization.

Heritage Railway Stations

"If there is no public policy role, then you get out, not go half way", said the adviser, who asked not to be identified.

He faulted Ottawa for not privatizing all of the airline and for not having the political courage to sell the shares last summer when stockmarkets were booming.

I have indicated why we oppose this Bill, and why we oppose the partial privatization of Air Canada. This Bill has been criticized by the employees. It has been criticized by many public-interest groups. It has been criticized as a poor business deal by precisely those people the Government hopes to get involved in purchasing part of Air Canada—

• (1700)

The Acting Speaker (Mrs. Champagne): It is with deep regret that I must interrupt the Hon. Member. The time allotted to him has now expired.

It being five o'clock p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--BILLS

[English]

HERITAGE RAILWAY STATION PROTECTION ACT

MEASURE TO ENACT

Mr. Gordon Taylor (Bow River) moved that Bill C-205, an Act to protect heritage railway stations, be read the second time and referred to a legislative committee.

He said: Madam Speaker, I have great pleasure in moving second reading of Bill C-205, an Act to protect heritage railway stations. I hope eventually this Bill will be referred to a standing committee in order to proceed to completion.

This Bill was actually presented first on November 26, 1984. The Bill had originally been written by the then Hon. Member for High Park in Toronto. He was not re-elected in 1984. I was preparing a Bill at the same time and consequently when the Member was not re-elected I stopped my preparation and adopted his Bill. Second reading of the Bill took place on April 29, 1985 and it was referred to a committee. Unfortunately, the Bill never came out of committee. The committee was probably swamped with work or otherwise. The Bill was referred to the Standing Committee on Fisheries and Oceans, a very strange committee for this particular Bill to be sent to. I hope the next committee the Bill is sent to will not be the Standing Committee on Fisheries and Oceans because that committee has no connection with the Bill whatever.

Bill C-205 is primarily to protect heritage railway stations. A great number of stations were built in the early days of the railroad right across Canada. Many were representative of that particular era. A great number of these have already been destroyed. Consequently it is necessary, I believe, to have legislation protecting those that still remain. I cannot give the