

*Air Canada*

this very debate which is going on today. Unfortunately, due to the sometimes unpredictable course of House business, they were not able to stay today to follow this debate. However, they had in fact journeyed to Ottawa for that express purpose.

● (1650)

We carried on a debate of our own over dinner and we examined the issues that are now before us. I was asked a number of questions by these two women employees of Air Canada. They had quite a well-thought-out line of interrogation, and it went something like this: "Why would the Government of Canada want to sell shares in a Crown corporation when we already own it?" So I asked them: "What is the test of ownership, is it not the test of the alienability of the property itself?"

In other words, if one says one owns Air Canada or a portion thereof, is one able of one's own volition to dispose of it as a citizen of Canada? The answer, of course, is no. However, with this partial privatization measure, those 45 per cent of the shares which will in fact go into the hands of individual Canadians, among them employees of Air Canada and other citizens of Canada, will become alienable and will be capable of being traded on the market. They truly then will become the property of those people of Canada.

The next question which was posed to me was the question of the elongation of Air Canada's operation; that is to say, would Air Canada, with privatization simply go for the long routes and avoid the shorter routes? Would Air Canada neglect service to smaller communities? My response was that I think not, and I think not because there are a number of shorter routes which are economical. For example, the Rapidair routes between Ottawa and Toronto, between Ottawa and Montreal and the triangle back to Toronto from Montreal are very satisfactory routes for Air Canada to serve, and they are not elongated routes.

However, these employees pressed the question further, and quite properly. They asked about routes in western Canada, for example, service from, say, Regina to Edmonton. I suggested to them that those routes would probably not be dropped, and I cited the example of Canadian Airlines International, which is truly a private corporation and which has chosen not to drop many of those smaller routes.

Indeed, in many ways, Canadian Airlines does a remarkable job of serving northern and northwestern Canada and indeed Atlantic Canada with short-hop service and service to low-traffic areas. It has managed its operation in such a way with its equipment, and in some cases with downscaled equipment, so that that service continues. Indeed, with the addition of some other feeder operations, there is the possibility of serving communities that have not up to now had regular airline service. If one consults the timetable of either of Canada's two major airlines, one will find destinations such as Nanisivik, Kuujjuak, Iqaluit and many others which would not normally,

one would think, be revenue destinations. However, that service exists and it is provided by privately owned airlines.

The next question had to do with the treatment of the employees. These were two Air Canada employees who were interrogating me, one of them a long-serving and distinguished union official. I drew their attention to the record of the Government of Canada in the field of privatization, our record over the past almost four years of the privatization of the dozen or so Crown corporations that have gone to the market with considerable success. I drew their consideration to the de Havilland example in Downsview, Ontario. Now, with the world-wide mandate through the connection with Boeing Corporation, de Havilland has a window on the world. What is the employment record at Downsview? I believe that staff members have been added. Certainly there has been no adverse impact on employee relations, employee benefits, job security or things of that nature.

Then they said: "What about British Airways? They went ahead and privatized and they laid off tens of thousands of employees". Well, the fact is that that occurred before the privatization of British Airways. The airline was badly in need of some rationalization and that rationalization took place before shares in British Airways were offered to the market.

According to the President of Air Canada, Mr. Jeannot, and the Chairman of the Board, Mr. Taylor, who incidentally is immensely well respected within the ranks of Air Canada employees as one who has worked his way up and has proved his worth, Air Canada has shown its mettle. It has shown that it is a world-class airline because of the commitment of its employees. Therein, in a service industry, lies much of the strength of any airline, the quality and commitment of its employees. That will not be changed.

One might say, as my friends did say to me, why then bother, why change things now, isn't this just some kind of Tory knee-jerk, ideological reaction? My response is, of course not, of course not.

**Mr. Nunziata:** Who are you calling a jerk?

**Mr. Edwards:** Careful, it might happen. An opportunity is being presented to the people of Canada and to the passengers of Canada. Most important, an opportunity is being presented to Air Canada to expand and become competitive and to be truly a continuing force within the airline domain of Canada and indeed across the world as one of our Canadian flag carriers.

The next concern put forward to me was an interesting one coming from a couple of Albertans. They said: "We believe that in many ways, Air Canada is an instrument of national policy in terms of being a vehicle for continuing the bilingual objectives of the people and the Government of Canada, and wouldn't that undergo some erosion?" I think not, and I think not because there is a demonstrated record among major Canadian corporations doing business from coast to coast to