

*Air Canada*

Government has to do it. However, in this case it is obvious that it can be done by the private sector, and perhaps better.

I suggest to the Hon. Member that surely what is sauce for the goose is sauce for the gander. If the Hon. Member wants to say that the Government is on its ideological hobby-horse of privatization, then is it not equally true that the Hon. Member is on his ideological hobby-horse of socialism, government control, and government ownership?

**Mr. Keeper:** Madam Speaker, I will be frank. I am on a hobby-horse. The hobby-horse is nation building.

**Some Hon. Members:** Oh, oh!

**Mr. Keeper:** Air Canada has a purpose, that is, to knit Canada together. It is our transportation and communication network that helps keep this country one. That is a policy objective that was recognized by none other than Sir John A. Macdonald. Therefore, I ask the Hon. Member why his Party has abandoned the principles and vision which originally motivated it? Why has it abandoned the project of nation building? Why, all of a sudden, are they only concerned about whether or not someone makes a profit or whether or not a company can compete against another company?

**The Acting Speaker (Mrs. Champagne):** Resuming debate.

• (1310)

[Translation]

**Hon. André Ouellet (Papineau):** Madam Speaker, I cannot say that I welcome this opportunity to take part in this debate, because when we consider why this Bill is before the House today, the only answer to that question lies in the ideology of the Conservative Party, of the hardline Tories and of this Government, who want to get rid of this country's Crown corporations at any price.

It is an obsession with this Government. Some of our Crown corporations which have outlived their usefulness can be sold, but when it comes to selling a Crown corporation which has its place in this country and which is absolutely necessary, given the peculiarities of our economy and geography, I think the Government's policy is regrettable.

As I see it, Air Canada is an indispensable adjunct to the economy of this vast country whose population is spread out from the Atlantic to the Pacific. Many outlying areas and small communities would be unable to get certain services or food supplies, and people would not be able to leave their communities without air transportation.

The Government of Canada created a Crown corporation to provide air transportation for all Canadians, wherever they happen to live, and I think the reason was valid at the time and is still valid today and will remain valid and essential for many years to come, because we still have a very low population density in this country.

However, there is another reason why we are considering this Bill today. I am referring to the fact that the Minister of Finance (Mr. Wilson) and his Treasury Board colleagues have refused to guarantee Air Canada the loans it needs and would normally contract in order to proceed with the renewal of its fleet. Previous Governments always helped Air Canada get the best possible terms and financing to achieve its economic goals. Now for the first time, Air Canada is faced with a Government that has put it on a starvation diet by refusing to support its plans for expansion and development. Obviously, the Government cannot let a corporation as popular and as useful as this one go down the drain. The only alternative was to let Air Canada be privatized, thus making it possible for the Corporation to obtain the hundreds of millions of dollars it needs to upgrade its fleet. I think this is very sad, because if we Canadians lose our collective ownership of this corporation, which is our pride and joy, it will be because of the lack of support and the irresponsibility shown by the Canadian Government.

On the fiftieth anniversary of Air Canada, the Liberal Party of Canada issued a press release to emphasize the major role played by the corporation in developing our country. I would like to take this opportunity to quote from that press release, which said: "In response to a persistent rumour that the Conservative Government is about to privatize Air Canada, Liberal Members want to recall the *raison d'être* of our national carrier. From the date on which it was founded, Air Canada has provided passenger transportation services from one end of the country to the other, while reflecting the federal Government's commitment to the principles of bilingualism, employment equity and regional procurement. Once it is privatized, Air Canada will no longer fly to communities on less profitable routes. Thus, providing passenger air transportation services accessible to all, the reason why Trans-Canada Airlines was created in the first place, will no longer be feasible".

I personally wanted to stress that Air Canada has played and should continue to play a major role in connection with the deregulation of the air transportation industry.

Indeed, as the Conservative Government has just passed Bill C-18 that will completely deregulate air transport, we should ask whether it is wise and necessary to privatize Air Canada at this time. On behalf of our Liberal colleagues in this House, we rejected the partial privatization of the company in a press release on April 10, 1987. We said that such a policy would mean that the company would cease to be a Crown corporation under the Financial Administration Act. The power to issue directives, now held by the Governor in Council, would be lost. Now we see that this is exactly what the Government has done.

It carried out a partial privatization, trying to make the Canadian public believe that it would continue to control this Crown corporation which no longer is one; under Canadian corporation laws, it must now be a private company because the majority shareholder does not have the right to make