

*Air Canada*

**The Acting Speaker (Mrs. Champagne):** If I may, I now realize that the Hon. Member is on debate. It would be proper for me to put the motions to the House.

Both motions stand in the name of the Hon. Member for Winnipeg North who is not in the House. Therefore I need unanimous consent for the motions to be moved by another Hon. Member. Is there unanimous consent?

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mrs. Champagne):** May I have an indication from the New Democratic Party as to who will move the motions?

**Mr. Cassidy:** I will, Madam Speaker.

**Mr. Mike Cassidy (for Mr. Orlikow)** moved:

Motion No. 2

That Bill C-129 be amended in Clause 6 by striking out line 27 at page 3 and substituting the following therefor:

"those votes to not more than five".

Motion No. 7

That Bill C-129 be amended in Clause 8 by striking out line 18 at page 7 and substituting the following therefor:

"shares of the Corporation up to a maximum of forty-five per cent of voting shares."

He said: Madam Speaker, these two amendments which have been grouped go to the heart of the Bill. The first amendment is designed to limit foreign ownership in Air Canada shares to 5 per cent of the voting shares instead of the 25 per cent which is being permitted in the proposal put forward by the Government.

The second amendment which is contained in Motion No. 7 asks for, in effect, a limitation of the number of shares which the Minister can sell or dispose of to 45 per cent. The reason for this amendment, if I can begin with it, is very simply that we are trying to keep the Government to its promises, even if only partly to its promises.

You will recall, Madam Speaker, that the Prime Minister (Mr. Mulroney) himself, after meeting with the president of the Québec Federation of Labour, back in January, 1985, gave assurances that Air Canada was not and is not for sale. In order to try to keep the Prime Minister from appearing to have failed to have spoken the truth, the Government decided to sell only 45 per cent of Air Canada, a decision which seems to me probably gives us the worst of both worlds. Madam Speaker, may we have order in the House, please?

**The Acting Speaker (Mrs. Champagne):** Order, please.

• (2040)

**Mr. Cassidy:** The Government then decided that government shares would not be voted, but that effectively the owners of the 45 per cent of the shares that were to be sold to the public would be able to dictate the future of Air Canada, and there would be no voice at all for the 55 per cent of the shares left in public hands. On top of that, the Government designed a Bill which does not embody the 45 per cent pledge. Madam

Speaker, with respect, the Hon. Member for Duvernay (Mr. Della Noce) insists on wishing to have the floor. I am not sure if the rules would give him the floor, but I would suggest that order be called again, or the Members who wish to have conversations take them somewhere else.

**The Acting Speaker (Mrs. Champagne):** Order. There are many conversations going on, and it makes it very difficult for the Chair to hear the Hon. Member who has the floor. I know that it is getting late, but the Chair would appreciate a little more discipline in the House, if at all possible. The Hon. Member for Ottawa Centre (Mr. Cassidy).

**Mr. Cassidy:** I did not necessarily expect to have the full attention of members of the Government, but I was finding that your attention was becoming distracted, Madam Speaker, by these other conversations. As a matter of fact, I will speak to some of my friends from Québec.

[*Translation*]

I will speak to my friends of Quebec who are colleagues but belong to the Progressive Conservative Party. They supported the Bill which is aimed at selling 45 per cent of Air Canada shares but which will lead to total loss of control over the company because the shares held by the Government will not be votable shares, nor will they impart any sense of direction at all.

Madam Speaker, the proposition here was to make sure that at least the Government would not be allowed to sell off the whole company, that the sale would be restricted to 45 per cent of the shares. The oral promises of this Government inspire precious little confidence because they have so often been broken.

Madam Speaker, the credibility of the Government is on the line. Therefore we need legislation to make sure that if the Government says that no more than 45 per cent of the company is to be put on the block, then the sale of shares will indeed be limited to 45 per cent.

[*English*]

I would also point out that there is a very real danger that the control or the direction of the company will be taken by an American airline which will decide that Air Canada will become a junior version of Air America. There will be bases and maintenance in Canada and some type of head office operation in Montreal, but if 25 per cent of the ownership is allowed to fall into the hands of foreign owners, what is to stop a foreign airline from integrating Air Canada's operations with its American operations to the point where Montreal becomes a weigh station on a hub and spoke organization of air routes around Syracuse, New York, rather than around Montreal and Toronto; where Minneapolis or Denver become a spoke rather than Calgary or Edmonton? This is the type of thing that I fear we may see with the allowance of foreign ownership up to the level of 25 per cent.