

*Air Canada*

New Democrats do not want any Crown corporations or any big business or anyone to work—who in the heck will pay? We do not know. It has been proven and stated publicly by the administration of Air Canada, by the employees, with one exception—perhaps union leaders—that they are in favour of privatization of Air Canada.

I conclude my remarks and thank you for your patience, Mr. Speaker. Let me ask the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) that with everything Air Canada has said in the past and what Mr. Jeannot said yesterday regarding 727s and DC-9s and with the implication of the workers who want to buy shares, the same airline will exist as Air Canada and it will continue to be the great carrier it has always been. So why would the Hon. Member ever be against 45 per cent privatization?

**Mr. Angus:** Mr. Speaker, I thank my hon. friend for his questions. Let me ask rhetorically how many shares he expects the Air Canada employee who makes \$6.79 an hour to buy. The current valuation of the shares which the Government of Canada holds is \$1,000 a share. Not many, I would suggest.

The Member spoke about competitiveness, flexibility and arm's length. Mr. Jeannot in his remarks to us yesterday, indicated Canada has the flexibility. When Canadian Airlines offers a seat sale, within 24 hours Air Canada offers that seat sale. Where he indicated that there was less flexibility was in terms of capital. He indicated to us that even though the share values in the name of the Government of Canada were something in the neighbourhood of \$750 million, the amount the Canadian Government has provided is somewhere around \$330 million—which is a major shortfall. Mr. Jeannot said that he has asked and asked and asked this Government and the former one to advance the full value Parliament approves but has been refused.

We have an airline company that has made in excess of \$300 million profit in the last nine years. In fact, every year but two were profitable years. There is no question that Air Canada is an excellent company. It is owned by the people of Canada. Canadians should have the right to receive the profits and a return on their investment as shareholders. There are 25 million shareholders in the company right now. I do not think that that should be sold out from under them.

**Mr. Rompkey:** Mr. Speaker, not only do the people of Canada have a right to the airline but they have a right to expect service. One of the strengths of Air Canada historically has been to serve remote areas where no other company would go.

What happens to that mandate or policy decision under privatization? If the bottom line is profit, then surely there is not the same compulsion on the part of Air Canada to continue that policy in the past of serving remote areas. I know of routes in my own province, for example, where only Air Canada flew and the flights were never full. Canadians deserve air travel. They needed it and they got it from Air Canada. Under

privatization my fear is that this will change. If the bottom line is profit and you fly only where you have load factors, where there is a lot of traffic and lots of people, that precludes those who live in small communities and remote areas from travelling and from service. It precludes business in those areas from doing the kind of business that would be done in other parts of the country.

There is a fear that the mandate of Air Canada, the mandate it has historically had and has followed, will change under privatization. That is the question I pose.

**Mr. Angus:** Mr. Speaker, I thank my colleague for the question. Air travellers in Canada are getting hit with a double whammy—deregulation and privatization of Air Canada. The Hon. Member is right about the quality of service. Briefly I will give one example. My community is served by both Canadian Airlines and Air Canada. Two flights leave in the morning from Thunder Bay to Toronto. The one at seven o'clock is Canadian and the one at 7.40 is Air Canada. At 10 minutes to seven o'clock the Air Canada counter is already staffed, even though its plane does not leave for an hour. Canadian Airlines staff is assigned to show up about 6.30 a.m. for a seven o'clock flight. There are long line-ups at the Canadian Airline counter, whereas Air Canada easily clears all its customers. It provides adequate service and staff to ensure customers are treated properly. Canadian Airlines dealing with the bottom line as its prime motive does not provide the staff or service. This ultimately results in delayed flights and poor quality treatment, an excellent example of the lower level of service provided when priority is profit as opposed to service. Air Canada's tradition has been service over the years. Unfortunately, under this Bill that will change.

**Mr. Jim Edwards (Edmonton South):** Mr. Speaker, I thank the distinguished Member for Edmonton North (Mr. Pappas), who is in the Chair, for recognizing me.

The issue before us today is not as much an issue of theology as it is an issue of maturity of the Canadian economy and the Canadian transportation system. It is quite clear that the original mandate of Air Canada, which was put in place some 50 years ago, has altered somewhat due to the circumstances of our country. Fifty years ago our country had virtually no air links save charter links which were *ad hoc* and usually done for mercy purposes. There has, however, been a remarkable evolution with the birth of what is now Canada's third airline which originally was a bush pilot operation. I am very pleased to say the founder of that airline is a distinguished resident of my own constituency, namely, Mr. Max Ward. We have had over the last two or three years a tremendous growth in service not only of the three trans-Canada airlines, if I may use that expression, but also of the affiliate airlines, the so-called feeders which go into the North, into the lower traffic areas and into areas where there are short runways. Indeed, I had the opportunity the other evening to visit here in Ottawa with two employees of Air Canada, both of whom have distinguished records of service, and both of whom are interested in