

*Air Canada*

It results in a lack of enforcement of regular accountability procedures by the Crown corporations.

● (1632)

Along with this there is an increasing tendency to rely upon commissions, study groups, task forces and royal commissions. This, too, tends to undermine the position of the elected representatives of the people and the idea of the primacy of parliament. It becomes a form of phony participatory democracy. By and large, Canadians are becoming increasingly disenchanted by their involvement with civil servants, regulatory bodies, commissions and so on. I believe they are demanding more direct contact with the representatives they elect to the House of Commons. I believe they want governments to govern.

The procedure presently used to consider and approve departmental estimates is another example of the circumvention of parliament especially when taken together with the government's refusal to strengthen the committee system—what has gone on more closely resembles a weakening process. We seem to be moving ever closer to government by decree.

It is interesting to note that while this legislation was under consideration in the other place, Mr. L. C. Des Bois, secretary to Air Canada, had this to say about clause 6(2) when he appeared as a witness—this is from the Senate committee hearings No. 2 page 19. He stated:

The wording and the concept of clause 6(2) was not suggested by Air Canada; it was proposed by the government itself in the original drafting as a means of avoiding having to go to parliament to clarify a point which was really something that could be administered in the context of the broad powers given to the corporation—

It was not the corporation but the government which sought this provision, even though, as the minister pointed out when he dealt with the matter, it was felt the department would not be called upon very often to exercise a prerogative under this provision.

The main drafter of the bill, Mr. Jim Lyon, who is now working with the Department of Finance, told one of the Senators that the concept of the bill was that the minister was administering the prerogatives of the shareholders. The members of the other place reminded him that, according to a government discussion paper on Crown corporations, it was parliament and not the minister which was empowered to administer the prerogatives of the shareholders of the Crown corporation.

It is interesting to note the following sentence in the document entitled "Crown Corporations, Their Direction, Control and Accountability":

It is commonly understood that Crown corporations, although largely independent of parliamentary scrutiny and control, are still in the final analysis instruments of parliament. Logic then dictates that parliament should exercise what might be called the shareholders prerogative with respect to Crown corporations on behalf of the Canadian public.

Clause 6(2) clearly runs counter to that recommendation. Subparagraphs (a), (b), (c), (d), (e), (f) and (g) state in explicit detail the powers and responsibilities of the corporation, and then there is a catch-all clause which states that it

[Mr. Mazankowski.]

—may do such other things as are necessary or incidental to the carrying out of its activities.

After that there is, of course, a "grandfather" clause which provides that the governor in council may authorize the corporation to carry on or engage in any activities not otherwise authorized by the act. Clearly this establishes a very dangerous precedent and one which could be applied to other legislation. I certainly welcome the minister's change of heart in connection with that provision.

We applaud the sentiments expressed by Senator McElman that there is "a growing feeling in parliament that parliament should be more jealous of the powers that it extends by law to ministers to enable them to make regulations." I could not agree more. It would be well for us to bear statements like that in mind when considering other pieces of legislation and the granting of extraordinary powers to corporations such as Air Canada.

We welcome and support the other changes which have been made as a result of the Senate study of this bill. We are pleased with the support the Senate has given to our proposals having to do with the automatic reference of annual reports to the parliamentary committee. We apologize that we failed to insert the word "parliament" rather than "House of Commons". We certainly accept the amendment in good faith. The changes are welcome and I am sure that, as a result of them, the bill will serve the best interests of the airline and of the travelling public.

I should like to turn now to a few other matters which I have found somewhat disturbing, developments which have disappointed large segments of the Canadian population.

Members of this House, particularly those who serve on the transport committee, dealt with this legislation in good faith. There were some aspects of it we felt could be improved, and others about which we are still unhappy. Certain amendments have been accepted and I believe there was a general desire to give Air Canada the legislative framework it required in order that management might do its job more effectively. We made it clear we felt it was incumbent on management to accept its responsibilities to the public and to the House.

This debate comes at a time when the public is seriously questioning the structure and level of air fares in Canada. There is a feeling in many quarters that air passengers are being ripped off; there is also a consensus that in some cases fares bear no relationship to economic realities.

● (1642)

Many of us share the opinion expressed by the Minister of Transport about the management of Air Canada, that it is in the capable hands of a team of credible senior executive officers. We had hoped that this legislation would have been important in helping them carry out and even extend the mandate of one of the truly great national airlines.

Air Canada has come through some very rough periods in the last few years. Losses of \$65 to \$66 million were incurred over the past three years prior to 1977, so we are naturally happy that this has been reversed and hope the trend will continue. I