

National Air Policy

ment on an interim basis so that they could be resold to private investors. That was four years ago and there has been no action whatsoever on that undertaking. I feel very safe in predicting that as long as this government is in office there will be no action either to return Nordair to private ownership.

If it was the government's real intent to return Nordair to private ownership, it had a very simple, very direct course of action open to it. It could have ordered Air Canada to withdraw from the initial attempt to purchase control of that company and allow new, private owners to bid for its shares. After all, it was not exactly a fire sale in this case. The company has been a profitable carrier. There were at least two, and there may well have been more, private groups ready to bid for its shares.

Air Canada, acting with this government's blessing, did not act to save an airline, it acted to increase its share of the Canadian market and thereby to further restrict competition. The minister's action yesterday in putting Nordair into direct government ownership simply serves to make a bad situation worse. The government's action yesterday helps put its restraint program in the proper perspective. In the name of restraint it has been cutting out research projects and provincial programs. They have been aiming at programs where they know there will be very strong resistance, so that the velocity of the resistance will make it look like this government is in fact taking a strong stand in the name of restraint. Indeed, relating to the air industry, the government proposes to increase the taxes on Canadian passengers, but with all of this they still go out and buy an airline which they do not need and which does not need to be the subject of government spending.

I am sure that most Canadians will remember and contrast the statement by the Prime Minister on television in early August when he said he was going to reduce government intrusion into the private sector. Now, three months later, in the name of reducing intrusions into the private sector the government buys a private sector airline for which there were private sector purchasers.

An hon. Member: That is called flexibility.

Mr. Clark: My colleague says that is called flexibility. It is also called an absolute inability to keep its word to the Canadian people which sets in very clear context just how hollow and how much of a sham is the commitment by the government to restraint. Indeed, it underlines once again that this is a government which has very little respect for the partners in the Canadian economy or the Canadian community. This is a government whose instinct is to intervene and to attempt to control. We are talking about the air industry here today, but the interventionist attitude which has injured the air industry in Canada is the same attitude which has caused an atmosphere of conflict within this country, whether it is with the provinces, the private sector, voluntary groups or among ordinary Canadians.

This attitude on the part of the government corrupts the idea of government involvement through Crown corporations or other means in the private sector economy. It corrupts the

[Mr. Clark.]

idea of the Crown corporation being established as a last resort. This is another classic case of the government moving into the private sector, not because it needs to—because there were other purchasers and alternatives—but simply because the Government of Canada wants to own another airline. They have said that they will divest themselves of it, as they said four years ago they would divest themselves of Canadair and de Havilland. Their word is as good today as it was four years ago, which is to say it is not worth the paper on which the minister has stated his intentions, as his colleague did some four years ago.

We on this side of the House understand, as this government very clearly does not, that there is a very real threat in terms of both cost and unfair competition when a government unnecessarily creates state-owned ventures that are not subject to the same kind of financial restraint as private industry. We understand, too, as this government obviously does not, the inherent conflict of interest in having a state-owned company competing with privately owned corporations in a field like transportation, where the government sets the rules and regulates so much of the activity. Indeed, there are occasions, as there have been in the past, when it makes sense for the government to establish Crown agencies or Crown corporations.

I am privileged to be the leader of a political party that in its past has had the courage to recognize that because the private sector could not meet particular needs it was essential for the public sector to move in. It also requires courage and imagination to recognize that there are many times when activities are best left to the private sector. This is clearly one of those circumstances.

An hon. Member: Why?

Mr. Clark: A member on the other side, I think a member who is interested in transportation issues, asks why. The answer to the question is quite simple. There were private sector purchasers available and therefore there was no need for the government to intervene.

An hon. Member: What about Pacific Western Airlines?

Mr. Clark: Another member has asked about Pacific Western Airlines. It is my understanding that the government involved with Pacific Western Airlines does intend to divest itself of that corporation. More to the point, there was a substantial difference between the acquisition of PWA and the acquisition that is proposed here of Nordair, and that is a matter to which I hope members on the government side will pay some attention.

I want to make our position very clear. On September 15 in Winnipeg I said that this party opposed the acquisition by Air Canada of Nordair. We oppose this acquisition at arm's length of Nordair by the Government of Canada, and as a government we are certainly going to do all that we can to reverse any takeover that is approved by this government. That remains our position today.

Some hon. Members: Hear, hear!