

Air Canada

legislative committee, and the amendment thereto by Mr. Hovdebo (p. 15767).

Mr. Grisé: Madam Speaker, would you indicate how much time I have left in debate?

The Acting Speaker (Mrs. Champagne): The Hon. Member has 17 minutes left.

Mr. Grisé: Madam Speaker, to continue the debate on Bill C-129, the Air Canada Privatization Bill, because we went up to the Higher Chamber for the Royal Assent to certain bills... If I may refer in the first place to the regulatory reform introduced by this Government, which enhanced competition and resulted in better service to all Canadians. By striving to meet the needs of the travelling public rather than the regulatory body, Canadian airlines are competing through their innovative spirit and efficiency, they are striving to attract more customers by providing better service at a better price across Canada.

The Government feels that the time has come for Air Canada to fend for itself and make its own financing and capitalization decisions. It will remain a world class airline and continue to develop provided it has the same access as its competitors to investment necessary to its expansion.

The Bill wants to make it possible for Canadians generally and Air Canada employees in particular to participate directly in the ownership of that corporation. Air Canada is a flourishing company which has built quite an international image. From now on, it will enjoy the necessary freedom and financial options it needs to develop and continue to serve the Canadian people while remaining under their control. Madam Speaker, this decision to allow Canadians to participate in the ownership of Air Canada is consistent with the Government's philosophy concerning Crown corporations. This Government believes that, whenever possible, people should have access to the benefits of the free market.

After reviewing the case of several Crown corporations, the Government found that some of them were no longer justified and would benefit from a greater flexibility. Air Canada may achieve its growth and success potential if it is given the possibility to secure the necessary investments to continue to play its leadership role in the air transport industry. The best way to secure these investments is to allow direct participation of the Canadian public in Canadian ownership.

A while ago, Madam Speaker, I heard my colleagues of the Liberal and Socialist Parties mention that the privatization of a Crown corporation would jeopardize our sovereignty. If I may, Madam Speaker, I should like to quote a statement made by the Leader of the Socialist Party as reported in a *Journal de Montréal* article, and I quote: Are such Crown corporations as de Havilland, Canadair and Teleglobe which have been privatized well administered, efficient and competitive? Yes, I think so. The NDP Leader of the Socialist Party had to admit it. In a reply to the *Journal de Montréal*, it is stated: Although he still opposes the partial privatization of Air Canada and

continues to promote the need to maintain Petro-Canada as a federal Crown corporation, Mr. Broadbent wants to be more flexible as to the regulatory function of the state. Madam Speaker, he continued by saying that he would hesitate to nationalize again everything that has been privatized so far—because privatized corporations are well administered.

As you can see again, Madam Speaker, the Socialists and their Leader are making contradictory statements, claiming on the one hand, when faced with reality, that privatization is acceptable, and on the other hand that privatizing Air Canada does not make sense, for it would jeopardize Canada's sovereignty.

Madam Speaker, throughout its fifty-one years, Air Canada has never had the benefit of the equity financing enjoyed by its competitors in the private sector. The sale of shares to the public, as proposed in this Bill, will obviate the need for taxpayers to provide the necessary funds for expanding and improving the corporation.

From now on, Air Canada will be able to compete with private sector airlines that never had access to public funds. More importantly, it will have the financial and corporate flexibility it needs to respond quickly and independently to the demands of regulatory reform.

This Bill will give the Government the authority to transform a Crown corporation into a private corporation. I will now explain the procedure. The Bill authorizes the transfer of Air Canada shares held by the Minister of Transport to the Deputy Prime Minister, who will hold them in trust for Her Majesty in right of Canada.

The Bill provides for bringing Air Canada under the jurisdiction of the Canada Business Corporations Act. It also authorizes the Deputy Prime Minister to sell his shares in Air Canada and authorizes the corporation to issue and sell shares.

Over the years, Canadians have learned to identify with Air Canada, which has become our national airline. The Bill provides that Air Canada will continue, I repeat: continue, to remain Canadian-controlled. No major shareholder will be able to take control of the corporation.

Individual ownership of shares will be limited to 10 per cent of publicly issued shares, while foreign ownership will be limited to 25 per cent of said shares.

Madam Speaker, by permitting the public to participate directly in the ownership of Air Canada, the Government is taking special care to ensure that certain fundamental elements of the corporation are maintained. Thus, the Bill provides for maintaining the various locations of Air Canada's facilities which have contributed to its visibility and earned it the appreciation of Canadians. These locations were determined on the strength of decisions that reflected Air Canada's business acumen, and there is therefore no reason to make any changes in this respect. The Bill provides that Air Canada's national headquarters will remain in Montreal, its present