

Charter operations to Venezuela and Ireland will be converted to scheduled services.

We can truly say that in its short fifty-year history, Air Canada has offered Canadians quality service, not just nationally but also internationally. Air Canada also provides employment for more than 22,000 people. We really have reason to be proud of it.

And, Mr. Speaker, the Deputy Prime Minister (Mr. Mazankowski) himself said on April 12, 1988, "As one who has had the honour of serving as Canada's Minister of Transport, I have had the responsibility of being accountable to the House for Air Canada. I am thus particularly aware of the pride and expertise required of Air Canada's more than 22,000 employees necessary to achieve yet another successful year in providing safe and efficient air services to Canadians. Air Canada's accomplishments are all the more impressive when the strong and competitive nature of the Canadian airline industry is considered. Air Canada has not operated under the protection of government regulation for several years. Indeed, the entire industry responded admirably to the inevitability of a freer market environment long before the National Transportation Act was passed."

So I come back to my question: Why are we privatizing Air Canada when we realize how successful it is? One can also wonder, in light of what the Prime Minister himself, the Right Hon. Brian Mulroney, said:

[English]

Air Canada is not for sale. Canada needs a national airline. There is a possibility that shares in Air Canada will be sold to the public but the Government would certainly retain a majority interest.

[Translation]

Why privatize, why sell Air Canada? Well, maybe the Government was caught short; in the past three or four years, our obligations to this company have really been neglected. But now we are told that Air Canada must modernize its fleet. Air Canada must buy new aircraft. We need some \$300 million in the short term to buy airplanes. We heard that they would almost certainly be Airbuses, but it seems that the decision has not yet been finalized. So one must wonder.

To get these \$300 million needed to make the first payment for renewing the fleet, it was decided to sell to Canadians what already belongs to them. To begin with, 45 per cent of the shares will be sold to them and it is expected that these 45 per cent will bring in enough for the corporation to start modernizing its fleet.

But one must also wonder what will happen to Air Canada once it is privatized. Air Canada will then have to act like any private corporation or any business. Of course, all private companies want to make money. Making a profit means maximizing profits, because one is answerable to one's shareholders, and the more dividends shareholders get, the better they like it and the better they like the board of directors. The people at Air Canada will have to act like all the other companies.

### *Air Canada*

I am afraid that in this push for bigger and better profits, Air Canada will have to make certain decisions. I am afraid that Air Canada will abandon certain routes, especially the less profitable ones, because from now on, the Government will no longer be there to oblige the corporation to provide services to the communities on those routes. Certain facilities will also be abandoned, Mr. Speaker, if they are found to be less profitable. Operations will certainly be centralized.

In this connection, I think we could look at the example of CN and I have made this reference many times before. Instructed by this Government to make its operations profitable, CN embarked on a rationalization program. This meant scrutinizing all operations with an eye for profit, as opposed to the public interest or the interests of the communities concerned.

In New Brunswick, rationalization has meant the loss of more than 1,000 jobs, in not just one but several communities, and this is continuing. It is continuing for the simple reason the Government has decided not to intervene. In fact, it would be difficult for the Government to intervene at this point because it was the Government that gave the instructions in the first place.

So what will happen to Air Canada if at some point a decision is made to rationalize operations? It would be entirely up to the administrators, and they would then have *carte blanche* to take any action they feel would be appropriate. I am afraid that as a result of this push for bigger profits and for rationalization, workers will be laid off and shops will be closed. It is inevitable.

If only this Bill had taken a leaf from the privatization of British Airways, which seems to be a model of its kind. In England, when the Government got into privatization, it was careful not to let everything go.

It kept a so-called golden share which gives the Government the right to intervene if it feels the public interest is at stake and the company is not acting in the national interest. Here, we are told it's not worth it, and the Government prefers to privatize Air Canada altogether.

What is going to happen to services in outlying areas? We have been given the assurance these services will be maintained. We have also been told that the regions are getting better service than before because there are more carriers. There are regional carriers, but I think Hon. Members should realize, Mr. Speaker, that in some cases, national carriers have pulled out and been replaced by regional services.

What will happen if this experiment is not successful, and I am referring to the policy of serving the regions with regional airlines? National carriers will pull out. In fact, they have already done so and have been replaced. If this approach doesn't work, we in the regions will lose everything and have to start from scratch.

One must also wonder, Mr. Speaker, what will happen to service in both official languages in regions of Canada that