

Air Canada

Mr. Angus: The Chairman of the Standing Committee on Transport says that this is too long. Perhaps he would be interested in hearing the results of the discussion we had this week with officials from Air Canada. We talked not about privatization *per se* but about replacement of some of Air Canada's aircraft.

One of the questions my colleague from Regina West asked was whether the Government gave instructions to Air Canada that when it selects a supplier for new aircraft there be Canadian content or Canadian job requirements. Air Canada has said no, there had been no such request. I then asked whether Air Canada, in its search for new equipment, required the successful bidder to ensure that jobs were created in Canada, parts were purchased in Canada, and that other benefits be included which would assist Canadian workers and the Canadian aerospace industry in particular. Air Canada replied no. Wardair does not have to do it, Canadian International does not have to do it, therefore Air Canada does not have to do it. Yesterday in this House the Deputy Prime Minister, when asked a series of similar questions, indicated that the Government always wanted Air Canada to operate as if it were in the private sector.

That is why we on this side oppose the sale of Air Canada in any form. Since deregulation of air transport in particular, we have removed the principle of public convenience and necessity and replaced it with a market-place philosophy that the greater the volume, the greater the service, or, conversely the lesser the volume, the lesser the service. That was the first step. Now, by taking Air Canada out of the control of the Parliament and taxpayers of Canada, we have lost that additional advantage where the duly elected Government can issue instructions to a national airline to provide service or ensure that when contracts are placed, whether it is for new equipment or goods and services for ongoing operations, benefits have to come to Canadians.

We believe Air Canada should remain owned by Canadian taxpayers. They already own it, in fact. Therefore, we will continue to present our case to ensure that at the very least the public is aware of the ramifications of this particular piece of legislation. They will understand they are not getting a bargain. They are losing control, even under partial privatization, of an airline they built over the last 50 years.

Let me also remind you that under the provisions of the Bill before us, which the business community says is not going to work, we are allowing people out there to purchase 45 per cent of the shares of Air Canada. Yet at the same time the Government is going to instruct its representatives on the board of Air Canada to take their instructions from that 45 per cent ownership group.

I realize my time has expired. I look forward to the opportunity to participate along with my colleagues in continuing to point out the error of this approach by the Conservative Government when the Bill goes into committee. I really do

hope that either an election will be called that will prevent this Bill from passing or that the Government will reconsider.

The Acting Speaker (Mr. Paproski): Questions or comments.

[*Translation*]

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, first I have a comment, and I will conclude with a question for the Hon. Member.

He is of course aware that yesterday morning I had the privilege of chairing the Committee on Transport, and that Mr. Jeannot of Air Canada appeared before the Committee. Mr. Speaker, I think it was all very clear. The Government and the Opposition Parties may have their differences in this respect, but Mr. Jeannot made it quite clear before the Committee that ever since the seventies, 1975 and 1980, and especially considering the new regulatory reform in the transportation industry, commonly referred to as deregulation, that it was important to them that Air Canada be able to compete with the other airlines.

[*English*]

It was clear from the answers Mr. Jeannot gave that for Air Canada to compete in the market, whether it be with Canadian International Airlines, Wardair or others, it must have exactly the same flexibility. The question is about flexibility. Perhaps 45 per cent is not enough. Speaking as a member of the Government, hopefully we will go somewhere down the road to 100 per cent. It is not a question of lesser service for Canadians. It is a question of not costing Canadians more money.

We on the government side want Air Canada to continue to be a national air carrier. We want it to have the flexibility at arm's length from the Government so we do not have to worry about cheap political decisions, whether NDP or Liberal. We will not do that, Mr. Speaker. By privatizing Air Canada at 45 per cent, Mr. Jeannot, President of Air Canada, said that a large majority of employees want to buy shares. It seems ridiculous to me that the Opposition would say, "Let's not do it".

● (1640)

The question of new aircraft was explained to us yesterday. Why buy 727s instead of DC-9s? With the experts Mr. Jeannot had with him, he explained exactly. With 727 aircraft, Air Canada figures, even now as a Crown corporation, that it will be more economically feasible and will offer a better product to the consumer, rather than replacing the DC-9s, which have already been refurbished to provide a longer service of this aircraft. There was no argument there about what was going to happen.

Perhaps I might speak out of place a little bit—I would never want to speak out of place on behalf of the Government—and explain to my colleague from the New Democratic Party who wants to keep everything for the Government—