

*Air Canada*

**Mr. Hovdebo:** The Auto Pact works very well because 60 per cent—

**Mr. Grisé:** And what is it? Is it not free trade?

**Mr. Hovdebo:** The free trade agreement is doing away with the Auto Pact. Sixty per cent of the cars made in Canada have to be made of Canadian components. That will be lost. After the free trade deal, cars can be made entirely in the United States and there will be no need for them to have any components made in Canada. That is part of the free trade deal.

All of these together make a package through which the Government is selling off the power we have to make a good living in Canada. We will be dependent upon the power of the United States to develop the kind of life we want in Canada, the kind of life we have been used to.

[*Translation*]

**Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Madam Speaker, I am pleased to take part in today's debate on Bill C-129 designed to pave the way for public ownership of Air Canada, a crowning achievement in the history of Canada's commercial aviation.

Indeed, Madam Speaker, the period between the first Trans-Canada Airlines Vancouver-Seattle international flight and the thousands of Air Canada worldwide flights every year has been highlighted by the efforts and tenacity of thousands of people intent on making Canada one of the world's leading nations in the aviation industry.

Trans-Canada Airlines made its first flight in 1937. Yes, Madam Speaker, allow me to recall that TCA first took off in 1937 from the Saint-Hubert airport in the riding of Chambly which I have the honour to represent in the House. That same aircraft, a TCA DC-3, made the same flight in 1987 when it took off once again from Saint-Hubert in the riding of Chambly to commemorate the 50th anniversary of Air Canada, or Trans Canada Airlines as it was called at the time. Nobody could have predicted the huge success it would have. At the time Canada badly needed a national airline to serve a population scattered throughout our vast country.

The Government of the day had no other choice than to create a Crown corporation to undertake the development of the national air system on which we now rely. Since then, air transport has greatly changed. TCA has become, as I said a few moments ago, Air Canada and that corporation has developed at the same rate as the air industry to become a leading figure in the commercial and international air transport area.

Air Canada has now more than 22,000 employees. It carries 11 million passengers per year and its sales exceed \$3 billion. Since its first flight in 1937, we have seen, Madam Speaker, a commercial revolution in the air industry. Today, we do not have one but two national airlines.

The deregulation implemented by the Deputy Prime Minister when he was a first-rate Minister of Transport now allows both airlines to compete with international air carriers. Such a competition has reduced fares, improved services provided to consumers and encouraged the growth of small airlines to meet regional needs.

The regulatory reform undertaken by our government has increased competition and improved services available to all Canadians. While trying to meet the needs of travellers rather than those of a regulatory body, the Canadian airlines are competing through innovation and efficiency. They are vying for more customers by improving their service and their fares everywhere in Canada. To face that competition, it is absolutely essential that Air Canada find new investments to develop new routes and improve its services. Above all, it needs new investments to buy new planes which will allow it to continue to represent proudly . . .

**The Acting Speaker (Mrs. Champagne):** Order!

• (1650)

## THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Madam Speaker, the Hon. the Deputy Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable Senate.

Accordingly, Madam Speaker with the House went up to the Senate Chamber.

And being returned:

**The Acting Speaker (Mrs. Champagne):** I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-67, an Act respecting Animal Pedigree Associations—Chapter 13.

Bill C-118, an Act to amend the Customs Tariff—Chapter 14.

## GOVERNMENT ORDERS

### AIR CANADA PUBLIC PARTICIPATION ACT

#### MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sales of shares thereof to the public, be read the second time and referred to a