

NDP philosophy when it comes to why Crown corporations are established.

A Crown corporation is established when there is a need in the community or in the country for a service, but private industry cannot supply that service for whatever reason. Perhaps the capital is not available or perhaps it would not be profitable, so private companies or individuals are not asked to subsidize communities. Then the Government sets up a Crown corporation. That is no different from our philosophy. Where it stops is over the question of how long you continue to have Crown corporations. Do you do it forever, particularly in the airline industry?

• (1530)

At present there are two other airlines operating in Canada, Wardair and Canadian Airlines. The situation is not what it was in 1937. This is 1988. These are quick changing times, and a highly competitive time for the airline industry. We no longer need a Crown corporation to provide this service to Canadians. That is the difference in philosophy between myself as a Conservative and the Hon. Member for Winnipeg North.

Why the need to privatize? As was indicated earlier in the debate by a Liberal Member, Air Canada received some equity funding in 1978 when it was separated from the CNR. Now it needs somewhere in the order of \$3 billion over the next 10 years for aircraft purchases, \$300 million of it right away. It would be nice to say that the Canadian taxpayers can give it to them. However, I know you have sat around the cabinet table and know what happens, Madam Speaker. I sat around a cabinet table in Manitoba when I was Minister of Community Services and Corrections. I had to compete for taxpayers' money with the Minister responsible for Crown corporations. Why take \$3 billion of taxpayers' money and divert it to Air Canada when the airlines' own employees want to buy it and get the money from the private sector? We can then use that \$3 billion over the next 10 years to deal with the elderly who need assistance, increasing health costs, and required social services. Instead of going to Air Canada the money will stay in the Treasury and decisions will be made by the Government in the role it should play, not that of an entrepreneur. We know what happens when Government tries to run a business.

I had the opportunity to speak in the debate on the privatization of de Havilland. Boeing bought it and Boeing has an operation in my riding. At that time the NDP and the Liberals stood up and said we were selling out de Havilland to the U.S. Jobs are going to go to the U.S. They will ignore us now that they have de Havilland. What happened? I know that in my riding there has been an increase in jobs since that privatization. Boeing expanded and brought technology to Winnipeg which we did not have before. You never hear about that anymore.

Air Canada

Yesterday an NDP Member said we should not sell Air Canada because we want service to every part of Canada. There will be service to every part of Canada whether Air Canada is a private or Crown corporation.

The Hon. Member for Winnipeg North talked about Crown corporations in Manitoba. He referred to the Manitoba Telephone System, a fine Crown corporation. No question about it. Many of the people that graduated with me in engineering worked for that company. It is a proud corporation. Yet the NDP Government of the day decided to play politics with it and tried to expand it. What happened? It lost something like \$47 million invested in Saudi Arabian technology. Another \$20 million was lost in foreign exchange transactions. The best example is Flyer Industries. That company was maintained for years by the Manitoba Government, ourselves and the NDP. It lost millions of dollars. There are a lot of buses operating in cities all over North America that were subsidized by Manitoba taxpayers. It was finally sold for \$1 million. Then there was the famous aircraft industry for \$40 million. They finally got three or four planes flying and then had to bring one back because it was sold to a banana republic which decided not to pay for it after it landed with its wheels up. That is the experience we have had in Manitoba with Crown corporations. Why should a Government continue a Crown corporation if the employees want to buy into it? Why would we stop them?

The next thing I am concerned about is how we protect the employees of Air Canada when it is privatized. It is in the legislation. The benefits they have now will be protected. The employee is protected whether the company is private or a Crown corporation. Those employees will have the first opportunity to buy the shares of Air Canada. We also want to make sure they have a strong voice, and they will have that because the way the legislation is written, no one can own more than 10 per cent of the shares. If 80 per cent or 90 per cent of the 20,000 employees are interested in seeing Air Canada sold and want to buy shares, all they have to do is get their proxies together, which they will do, and they will have members on the board. They will have a say in the operation of the airline.

What did the Hon. Member for Winnipeg North say when he debated this yesterday? He said the unions are opposed to the sale of Air Canada. They do not want to buy shares in Air Canada. In yesterday's *Toronto Star* at page 88 there is an article headed "Dog Fight Shaping Up Over Sale of Air Canada". The article states:

MPs opposed to the Government selling most of Air Canada to private interests are going to find most employees support the sale, says a senior Air Canada pilot.

Ed Godin, spokesman for pilots who have been trying for several years to buy shares of the airline, said in a recent interview that up to 90 per cent of Air Canada's 22,000 employees will buy shares.

"There's nothing in the Bill that we didn't expect," Godin said. "Now the issue is what the price of shares is going to be."

It then goes on to state: