

*Air Canada*

Why are we doing this? Is it because we want to reduce the number of Air Canada's domestic flights? Do we want to do that? Why would we want to do that? Why would we want to reduce the number of Air Canada's domestic flights and increase international flights? I am sure the pilots would certainly be interested in that. Air Canada has excellent pilots, but they can demand a higher salary if there are more international flights and fewer domestic flights. However, do members of the Canadian public want that? Why would anyone want flights cancelled?

What happens when flights are cancelled? One of two things happens. If Air Canada cancels a flight, it might not be replaced. Perhaps it will be replaced by one of the feeder airlines which fly Dash-8s, very nice planes which give a great frequency of service. Of course, however, they will not be run by Air Canada employees, and the employees who work for the feeder airlines will certainly not get the same kind of salaries as Air Canada employees. That is part of the plan: take away Air Canada service, put on feeder airline service, hire new employees and pay them less. That is the idea. Save money.

● (1730)

What about service to the public? If that is the idea, what about Halifax? There are no gates for the feeder airlines there. You have to walk downstairs and the planes are lined up like ducks on a pond. You do not know which plane is which because they all look alike, but someone gratuitously tells you which flight is yours. Then when you are going out the door, you are told to wait, a flight somewhere else is going to be leaving now and you cannot go. You have to go and sit down. However, the catch is that there are only four seats at that end of the terminal in Halifax. Four seats.

Atlantic Canada, as you probably know, has its health services centred mainly in the City of Halifax. Most of the major hospitals in Atlantic Canada are located there. Many people from my area of Cape Breton go to the Victoria General Hospital and others for whatever reason. When they are well enough to go home they book an airline flight. There they are, ready at the gate to take their flight, and what are they told? They have to go and sit down. Yet there are no seats. Someone may have been in the hospital for two weeks or a month, but they have to stand there for 15 or 20 minutes sometimes while the other plane taxis away and their plane starts to board. Is that why we do not want Air Canada's service? Is that why we want to privatize Air Canada?

To make it very simple and not belabour the point, there is no reason to privatize Air Canada. There may be a few people with vested interests who have reasons to privatize Air Canada, but the Canadian public does not have a reason. Once it is privatized, its standards will drop. Standards in other countries where privatization has taken place have dropped and once it happens to Air Canada, it will happen to other airlines. It will be the equivalent to sawing the legs off a table. Air Canada's standards drop, those of other airlines drop, and

gradually all the legs on the table are gone. That is what is going to happen.

Yet the Government tells us we must have privatization. Air Canada needs a mandate. This Party believes that Air Canada should remain a wholly government-owned airline. In 1977 the Liberal Government proposed and Parliament approved the Air Canada Act under which the corporation now operates. That was in response to the recommendations made by the Estey Commission of Inquiry. That special inquiry was set up to deal with this question. One of the most prominent jurists in the history of Canada headed the commission. The commission's recommendation was the Air Canada Act, not privatization.

In essence, the commission proposed that Air Canada be given the legal and corporate structure, the flexibility and financing to operate on a commercial basis and on the same footing as its competitors in Canada and abroad. That is perfectly reasonable. As a result, Air Canada was refinanced with a debt/equity ratio equivalent to other North American airlines. It was split off from Canadian National and given its own Act. The Government used the Canada Business Corporations Act as a model.

The new Act admonished directors and officers to conduct the business affairs of Air Canada with prudence, diligence and in the contemplation of profit. The Government would have us believe that the directors and officers are not operating the company in that way. We are told it has to be privatized and in a position where it can compete with other airlines. Yet in 1977 Air Canada was placed on a commercial footing with a clear arm's length relationship to the Government. We do not need privatization to obtain that situation because it exists at present.

Let me turn once again to something else that has transpired. In 1984 the Liberal Government brought forward Bill C-24. It was passed by Parliament and now forms Part XII of the Financial Administration Act. One of the changes made through that Bill was a requirement that any acquisition or divestiture of a Crown corporation had to be approved explicitly by Parliament. In reviewing the committee's testimony and the debates on this matter there is no question in my mind that this requirement was imposed not only to ensure that Parliament's approval for privatization was sought, but also for the method, structure and detail of the privatization.

That being the case, we find Bill C-129 lacking. It is a travesty. The information we need is just not there. This Bill is just a few pages long. To say that we should amend the Act is a very nice thought, but when we go to amend it, it is not the equivalent of putting your finger in the dike, it is the equivalent of trying to keep out the tide. That is how big the gaping hole is with respect to the information we should have.

We do not know how the privatization is going to take place. We do not know who is going to make the decisions. The Minister responsible told us in his press release that only 45