

Air Canada

Sault Ste. Marie, and North Bay like to have a national carrier serving them. They like to be able to walk into the Air Canada office and have world-wide service for ticketing arrangements and inquiries. That, of course, has already been lost since the Government took power, but it will become even worse when Air Canada is fully privatized.

I want to support the motion before the House but I certainly want to put forward those caveats about the divestiture and privatization of Air Canada. My Party is not opposed to privatization. In fact, a large number of private sector companies that were held by the Canadian Development Investment Corporation were put into a package and privatized. We have supported privatization in other areas. We are not ideologically opposed to privatization. When the public policy role is not necessary, privatization is acceptable. It could be very beneficial.

• (1310)

However, Air Canada is our national carrier and the flagship of the nation around the world. We do not believe it is possible to mix adequately the private and public sector with regard to this institution which represents our nation throughout the world. It is not good for the private sector or the Government of Canada to be interfering in the policies of a private sector corporation.

If we are elected in an election this fall we will not privatize Air Canada. We believe that it has a policy role to play, not only as an important flagship for our country around the world, but in its responsibility to serve the regions of our country. The most important responsibility of a Crown corporation is to serve the national interest rather than the international transportation aspects of Air Canada.

[Translation]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to say a few words in support of my colleague's proposal that Bill C-129 be amended by adding the following to Clause 6, after line 37:

"(f) provisions restricting the Corporation from acquiring control, through ownership of shares or otherwise, in an air carrier providing international services under a license issued pursuant to the *National Transportation Act*;

(g) provisions respecting the enforcement of the constraints and requirements imposed pursuant to this section."

Mr. Speaker, I want to stress the importance of this amendment because it touches on the subject of deregulation and privatization, a very current topic, and I think we owe it to Canadians to explain exactly what deregulation and privatization means.

Mr. Speaker, in other countries people have said that deregulation and privatization of public corporations has often wiped out smaller, less profitable companies which were unable to compete, once the rules of the game had changed.

If we look at our neighbours to the South, we see that passenger service has deteriorated substantially in peripheral

regions. Why? The answer is quite simple. Airline companies prefer to concentrate on busy routes, on large urban centres and on opportunities for quick profits, in order to make more money and thus reduce competition. That is why we must keep Air Canada, to ensure that quality service is maintained throughout the country, between urban centres and between the regions. If we look at what happened in Great Britain, for instance, when they privatized British Airways, we see that they first cut nearly one-third of the jobs, and that in the final instance, privatization resulted in the establishment of a monopoly. We don't want that in Canada, because we are too dependent on air transportation.

Mr. Speaker, I wanted to speak to this motion because the amendment contains a very essential provision in this connection, to prevent Air Canada from acquiring control, through acquisition of shares or otherwise, of international services.

[English]

I want to refer to the May issue of *Policy Options*, a magazine that I think we all read attentively. There is a very interesting article dealing with deregulation and the whole problem of takeovers and big business. This article by Andrew J. Roman gives:

Deregulation will increase competition, right? Wrong. What masquerades as economic "reform" is often naked self-interest.

He explains the effect of deregulation and privatization. He goes on to speak about Air Canada:

The Canadian Government is trying to create more competition in the airline industry. This is not as easy as it appears. Air Canada now has 60 per cent of the jet traffic in Canada. It has created a computerized reservations system, widely used by travel agents. This system books reservations so as to favour Air Canada.

I recommend this article to all Members. I will be using it during my third reading speech, if we get the chance.

The dilemma facing Canadians in regard to deregulation and privatization may well be whether we want Air Canada to eat up the other international carriers. It essentially controls the heart of the system, which favours Air Canada rather than dealing with all carriers equally.

Deregulation and privatization may be an objective that the Tories embrace, but I do not think they are serious when they tell us that it will improve transportation services, the quality of service, or improve what Canadians expect from their international airline, which is that Air Canada be a good, solid and competitive company.

The Hon. Member's amendments should have the support of all the House in order to prevent competition from being diminished. Not only would this allow Air Canada to maintain its good quality service, it would prevent it from buying off the competition and becoming a monopoly.

The Acting Speaker (Mr. Paproski): Before I recognize the Hon. Member for Hamilton Mountain (Ms. Dewar), I wish to inform the House that because of ministerial statements, Government Orders will be extended 16 minutes.