

Statements by Ministers

that was not feasible. I listened carefully to the Deputy Prime Minister's statement.

[English]

I have made a suggestion which might resolve both complaints, that is, insufficient notice and the difficulty of not having a copy of the statement in our other official language.

I have listened very carefully to all Hon. Members, but I hope the House will bear with me when I say that, strictly speaking and under the rules of this place, I cannot unilaterally intervene. The Hon. Minister has the right at this time to make the statement.

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AIR CANADA

PROPOSED PARTIAL PRIVATIZATION OF CROWN CORPORATION

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, at the outset may I refer to the comments of the Hon. Member for Saint-Denis (Mr. Prud'homme). I have apologized to him, and I want to assure him, although we did not have a copy in French, that copies are being sent to him right now. This is certainly not to be construed as an affront to him personally, or as an affront to my good friend the Deputy House Leader of the Liberal Party. I have tried to explain and I will continue to try to explain the reason for it. However, as I have said, we have made it a practice of trying to make as many statements in the House as outside the House. Quite frankly, according to past traditions, a statement of this nature would not have been made in the House; it would have been made outside the House.

I can assure Hon. Members that there will be lots of opportunity for debate. We are making a statement of government intentions, and I would hope Hon. Members would take it in that light.

I respect your tolerance and patience, Mr. Speaker, and I say to my hon. friends opposite that I appreciate their understanding, even though I know that if I were over there I would probably be doing the same. There is that understanding, and I guess it is one of the advantages of having had the opportunity to serve on both sides of the House, something which the Hon. Member for York South—Weston (Mr. Nunziata) has not experienced and probably never will. Notwithstanding, I respect him as a colleague and as a friend. He always adds a lot of spice and vigour to debate in the House of Commons. I want to apologize to him as well for this misfortune. Hopefully he will understand and, as I go through the statement, he will recognize the importance of it and the implications.

My colleague, the Minister of Transport (Mr. Bouchard), tabled just a few moments ago the 1987 annual report of Air Canada. As one who has had the honour of serving as Canada's Minister of Transport, I have had the responsibility

of being accountable to the House for Air Canada. I am thus particularly aware of the pride and expertise required of Air Canada's more than 22,000 employees necessary to achieve yet another successful year in providing safe and efficient air services to Canadians.

Air Canada's accomplishments are all the more impressive when the strong and competitive nature of the Canadian airline industry is considered. Air Canada has not operated under the protection of government regulation for several years. Indeed, the entire industry responded admirably to the inevitability of a freer market environment long before the National Transportation Act was passed.

Regulatory reform has increased competition and resulted in better service to all Canadians, whether through the three national airlines or the extensive and growing network of regional and local carriers which has provided better and more frequent service to many Canadian communities, particularly in the outer regions.

Rather than competing for a static, regulated market, Canada's airlines are now expanding the market by providing better service across Canada through innovation and efficiency. They are striving to meet the needs of the travelling public rather than the needs of a regulatory agency.

All airlines, including Air Canada, continue to serve important public purposes, but complete Crown ownership is not necessary to carry this out. In fact, the reverse may be true.

As Air Canada prepares itself for the 1990s, major new investments will be required. Air Canada must be able to make its own financial and capital decisions to remain and develop as a world-class airline company. Air Canada needs the same opportunities as its competitors to get the investment dollars it must have to grow. This morning the Cabinet committee of Planning and Priorities reviewed this matter and we have reached a decision.

[Translation]

Therefore, the Government has decided to allow Air Canada the freedom and financial options it needs to grow and continue to serve Canadians—while remaining Canadian-owned and controlled.

● (1150)

[English]

Consequently, legislation will be introduced shortly to permit all Canadians, but particularly Air Canada employees, to participate directly in the ownership of this internationally respected and successful airline.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: The legislation will permit the transfer of all Air Canada shares to the public. Once the legislation is passed, appropriate financial regulatory steps are taken, and market conditions permit, the Board of Directors of Air