

Air Canada

that the Government will instruct the members of the board of directors who represent the majority shareholders, who represent the 55 per cent, to vote with those who represent the minority shareholders. I have never heard of such a thing in any private corporation. I am sure that that would be grounds for an investigation by the Securities Commission of Ontario. If we had one that was any damn good operating out of Ottawa then it would be subject to an investigation. The RCMP would be seizing the books and everything else.

Imagine, Mr. Speaker, how you would like it if you were a majority shareholder and your representative on the board of directors in a company in which you had the majority of shares—

Mr. Redway: Non-voting shares.

Mr. Benjamin: No, no. These are voting shares.

Mr. Redway: They cannot be.

Mr. Benjamin: —was instructed to vote for anything that the minority shareholders decided that they wanted to do. There is supposed to be a theory about people's capitalism—

Mr. Redway: Oh, come on.

Mr. Benjamin: Why don't you get up and make a speech instead of sitting there.

There is a sick calf here. I wonder if Your Honour would arrange to have it taken out.

• (1730)

The Acting Speaker (Mr. Paproski): I would hope the Hon. Member would speak to the Chair rather than speaking to anyone else in the House. The Hon. Member for Regina West (Mr. Benjamin) has one minute left.

Mr. Benjamin: This is a dumb move by the Government. It is not deserving of the confidence of the people of Canada, or of the employees of Air Canada. While the Government wants the employees to buy shares in Air Canada, and some of them are willing to do so, I wish to remind them of what the Government and Air Canada did to their pension plan in 1986. Air Canada raided their pension plan and did not put a nickel into it. It used surplus funds in the pension plan to cover the money that Air Canada was supposed to pay into it. Now it has the unmitigated gall to ask the employees to buy shares in an operation like that. I hope that Air Canada employees will not be fooled by that type of corporate chicanery.

I hope that the House and the people of Canada will make every effort to see to it that Air Canada is not privatized wholly or partially, because it is neither necessary nor desirable, and certainly public opinion states that the people of Canada prefer it as it is. All we need to continue a good, sound investment with good sound business practice is to increase the equity shares that the people of Canada have in Air Canada

through the Government of Canada, and we will still have a good deal and one of the first-rate airlines of the world.

The Acting Speaker (Mr. Paproski): On questions and comments, the Hon. Member for Winnipeg—St. James (Mr. Minaker).

Mr. Minaker: I would like to ask the Hon. Member a couple of questions. In his comments he stated that when a private company makes a profit the board would be fired by the shareholders if it did not distribute some of that profit to the shareholders, and for that reason this was a bad idea.

Is the Hon. Member opposed to the idea of Air Canada employees buying shares? Many employees want to buy shares. The largest percentage of the employees at Air Canada want to have the opportunity to buy shares in the company, and rightly so in my opinion, because it is an excellent company, one of the best airlines in the world. If the employees buy the shares and the company makes a profit, is the Hon. Member opposed to the employees being paid a profit on their shares? In other words, each year receiving an equity cheque from the profit made by the company? Is the Hon. Member opposed to that? If the Hon. Member is opposed to that, I would then presume he is opposed to the Saskatchewan Wheat Pool. It makes a profit every year, and to my understanding it has done so for many years. It pays a cheque to the farmers who have control.

If the Hon. Member is opposed to Air Canada employees being paid a profit on their shares, then he must be opposed to the concept of the Saskatchewan Wheat Pool. It makes a profit and pays it back to its shareholders. The Hon. Member implies that if someone owns a share in the company it is wrong for them to get a profit paid on it. Therefore, it is wrong for Air Canada to be privatized.

Does the Hon. Member not realize that Air Canada employees can transfer their proxies? I would presume that they will have many members on that board because they can do it individually. It is stated that an individual or an association cannot own, but there is nothing stopping an Air Canada employee, if he or she can get enough support from his or her colleagues, receive their shares and their proxies, that they will be on the board. The employees will have a major part of the control of that board.

I would like to hear the Hon. Member's answers to those questions.

Mr. Benjamin: My hon. friend was not listening so I will run it by him again and hope that it sinks in. What I said serves as a caution to Air Canada employees. With a \$47 million net profit last year Air Canada paid no dividend to the present shareholders. Therefore, I caution Air Canada employees. If they are going to buy shares, that is their business and their own private decision, it is not mine.

Second, the experience of employees who bought shares in airlines in the United States, for example, Eastern Airlines,