

*Air Canada*

now an overhaul base in the area, and it is doing very well, I might add.

The legislation that is before us states very clearly that the Government wants the maintenance base to remain in Winnipeg. It also wants the bases to remain in Toronto and in Montreal. That is in the legislation that we are dealing with today. Those maintenance bases will remain where they are and, I say, rightfully so. Not only that, but the locations of the maintenance bases in Winnipeg, Toronto and Montreal will be in the Articles of Incorporation of the new company.

If in the future the company that operates Air Canada as a private corporation decides that it wants to move a maintenance base, it will have to come here, to the House of Commons, to get the legislation changed. I suggest that there could not be a better safeguard than that.

The PC Government wants to protect the jobs in Winnipeg, not like the Liberals of 1966 to 1969. The Liberals disrupted families and caused unknown hardships through separations, lay-offs and forced retirements because people did not want to relocate their families for whatever reasons. That is what happened under a Liberal Government, but our Government does not want that to happen and will not let that happen. It has made sure that it is in the legislation that that will not happen.

The Liberal Party was not satisfied with that. It even went so far as to use scare tactics during the provincial election campaign that just passed. Again, it had to scare the people who work for Air Canada by telling them that they would be out of work, laid off or moved. That is exactly what happened.

I would like to read into the record something that was left in prominent locations the night before the Manitoba election, just to give Hon. Members an idea of how the Liberal Party orchestrates things to scare people. I would imagine that this was orchestrated by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

This letter comes from the Campaign '88 election in Manitoba, the Sturgeon Creek Liberal campaign headquarters, No. 5, 2631 Portage Avenue, and the heading of this letter which, I might say, was signed by the Liberal candidate, reads: "Manitoba loses another multi-billion dollar aerospace contract!". That is an outright lie. An outright lie was used in an campaign to scare people about Air Canada.

The letter reads:

Dear Resident:

Brian Mulroney and his Conservative government made a decision on March 31st that will see another multi-billion dollar aerospace maintenance contract go to Montreal instead of Winnipeg.

According to the media, Provincial Conservative Leader Gary Filmon knew of this decision when it was made. Apparently, Mr. Filmon has chosen not to fight the decision but rather to keep it from Manitobans until after the election.

What decision has been made? What multi-billion dollar contract has been lost to Manitoba? None, but that is the

approach the Liberal Party uses, scare tactics, when it comes to Air Canada. Air Canada employees are tired of that.

The Progressive Conservative Government does not want to see people lose jobs in Manitoba or any other place through the privatization of Air Canada. This letter, which I will not read in its entirety, was signed: "Yours truly, Iva J. Yeo, Liberal Candidate, Sturgeon Creek, Competence with Heart". Scare tactics, but competence with heart.

This Government of Canada is not prepared to do the same thing. We are protecting that maintenance base, and rightfully so. The people who are opposed to the privatization have asked what assurance there is that the base will stay in Winnipeg. Private industry is different from government operations. First off, the overhaul base makes a profit for Air Canada. Second, it does outside contractual work for other airlines. It does work for airlines from the United States, for airlines from the Caribbean and for the Department of National Defence. In fact, I was advised that almost 20 per cent of the air base's revenue comes from outside contracts.

There is the technology, the expertise, the capital assets, the reputation which is very important and the legislation to back this all up. If I were in private industry and I had something that was profitable, everything was there and I had the manpower, I would expand it, and I suggest that that is exactly what will happen to the overhaul base in the Winnipeg area.

I am sure you have travelled with Air Canada, Madam Speaker. I do not know about you, but I have found that the employees are very proud people. They are very proud of their airline, and rightfully so, because it is one of the top airlines in the world. They want to see it remain so.

The employees recognize, and I am sure members of the Opposition recognize, that Air Canada needs equity. The employees want to have the most modern, efficient and safe aircraft in their fleet. I am sure they will have them. They want that so that they can compete in this very competitive field and remain as one of the top airlines in Canada and in the world. They recognize that to have a healthy future for their airline, they need that infusion of equity right now.

The employees want to have an opportunity to invest in the airline and to have a say in its operations as well. These desires are safeguarded in the legislation. The employees will have the first opportunity to buy shares in the new company. They want to invest in their company. I have talked to people who work for Air Canada. As recently as about a half an hour ago, an individual said: "Please sell our airline because we know it is good for the airline". Those were the exact words.

The Hon. Member for Winnipeg North (Mr. Orlikow), in his comments on this Bill yesterday, spoke about Crown corporations. I think he asked why we need to sell a Crown corporation, seeing as how we want to ensure that there are services to different parts of Canada. I think that the Conservative philosophy does not really vary that much from the