

*Air Canada*

believed in the free enterprise system. They believed in competition. Those Governments were headed by Liberal, Conservative, Social Credit or the Parti Québécois in Québec.

Let me just give you a few illustrations of Crown corporations established over the years. Let me begin with the first important corporation established with the help of a Canadian Government, a Conservative Government which was headed by Sir John A. Macdonald. I am talking of course about the CPR. It is not quite correct to call it a Crown corporation because what the then Conservative Government did was to give to the leaders of private business of that day grants and loans and the right to ownership of millions of acres of land worth at that time hundreds of millions of dollars. At today's rates that would be the equivalent of billions of dollars.

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Why did the then Conservative Government follow that procedure? It did so because it realized that without a railway stretching from the Atlantic to the Pacific there would be no Canada. It was obvious to them, and should be obvious to us today, that the economic lines on this continent run north and south rather than east and west. If the Government of that day had not pushed for the quick establishment of a railway, this country would not have survived and would now exist. It is largely because of the building of the CPR that we have a Canada today.

Let us look at another example. Ontario Hydro was established by a Conservative Government led by Sir Adam Beck. Ontario Hydro, as a publicly owned corporation, has provided industry and consumers in cities and on farms with electric power at as cheap a rate as possible. It has permitted the growth and expansion of Ontario and has enabled Ontario to compete with industries south of the border which were and are, to a large extent, almost exclusively served by private power.

In my own Province of Manitoba we have a publicly owned telephone system established by a Conservative Government which has consistently given the consumer, the homeowner, the farmer, and the businesses of Manitoba cheaper rates for telephone services than have the privately owned systems such as Bell Telephone.

The Canadian Wheat Board was established by a Conservative Government headed by the then Prime Minister, Mr. Bennett. We have the Canadian Broadcasting Corporation established as a publicly owned system by the Conservatives under Mr. Bennett. They did this because they realized that if Canada was to exist, to prosper, and to have its own identity, a publicly owned radio system was a necessity.

Air Canada, the change of which we are debating today, was established by a Liberal Government under the direction of the then Minister of Industry, Mr. C. D. Howe. He realized that with an airline we could move the mail and passengers from one end of Canada to the other in a way in which the railways, the trucking system, and the bus system could not.

We have publicly owned hydro systems. In Quebec it was established by the Parti Québécois Government. In British Columbia it was established by a Social Credit Government. These Governments did not proceed to establish these publicly owned corporations because they were opposed to the free enterprise system or because they did not have confidence in the initiative and determination of private investors, but because they realized there was a need for each of these corporations to provide a service as there was for the hundreds of other Crown corporations, federal and provincial, which had been established over the years.

They did this because they knew that at the time these were established as publicly owned corporations the private sector was not interested, it could not see at the time that profits could be made. That is not a criticism of the private sector. The main reason private investors establish businesses is to make a profit. If they cannot see that a profit can be made at the time, they are not going to establish a business, they are not going to meet the needs of the public. That is why Air Canada, like other Crown corporations, was established.

Why are we proceeding with this change in Air Canada? Is there a need for it? Has Air Canada not done a job? Has it not met the needs of the people? Has it not been efficient? No, there is no evidence of anything like that. In fact, not very long ago the present Prime Minister (Mr. Mulroney) opposed the sale of Air Canada. In *The Globe and Mail* of January 15, 1985, he is quoted as saying: "Some people want to buy the CBC. The CBC is not for sale. Air Canada is not for sale".

What has changed since January of 1985? Do the people of Canada want Air Canada privatized? There is no evidence of that. In fact, the evidence is the exact opposite. In March of this year two polls were conducted. People were asked whether they wanted Air Canada privatized. According to the Environics poll, as reported in *The Globe and Mail*, 51 per cent of people opposed the sale and only 31 per cent supported it. Similarly, in March, 1988, *The Toronto Star* reported on an Angus-Reid poll which asked the same question. He reported that 53 per cent of Canadians opposed the sale of Air Canada and only 35 per cent of the people supported it.

Why do we have this Bill, why this flip-flop on the part of the Government? We have this Bill, not because it is needed, not because the people of Canada want it, but because the Government is committed to a philosophy of private ownership. The Government believes that the private sector can do anything better than the public sector. The Government is, therefore, committed to the sale of Crown corporations whether or not they serve a need and whether or not they have been operated efficiently. We oppose the basic and fundamental principle which the Government seems to have adopted.

We do not believe that everything should be publicly operated and publicly owned. We know that for the foreseeable future we are going to live, as we have for many years until now, in a mixed economy, an economy which will be partly operated by private ownership, partly by public