

*Air Canada*

Canada where it can drive wages down to the lowest level and will put its reservation services there rather than have a local service which is approachable and friendly. The guarantees that are suggested here in terms of maintaining standards of safety, customs services, and maintenance are not in the collective agreement. There is no binding force on those.

I, frankly, think I know what is likely to happen. We have two and a half national airlines given the restructuring of the airline industry which has taken place in recent years. I would not be surprised if the Government's effort at deregulation and its decision to privatize now will lead us very soon to having one and a half or possibly even only one national airline rather than having two and a half national airlines and that that one national airline will be in private hands and have an effective monopoly over air travel in much of Canada.

Canadians in Ottawa, Toronto, and Vancouver are well served by air services in Canada right now. One of the reasons for that is the public-private competition which we have also had in broadcasting, the railway industry, and other areas. However, to know what it is like to have only one private sector monopoly you should talk to residents of some of our northern communities who are served by only one airline. It costs them \$600 just to get to a southern point where they can take advantage of the cheap fares which are offered from time to time for off-season travel.

That is the situation which will prevail in many parts of Canada if there is no further rationalization. No control of that can be exercised from here, nor can we exercise any control over the threat that the standards of Air Canada could be reduced at the risk of both Air Canada customers and those who presently work for this great airline. We want Air Canada to continue to be a great airline.

In the interests of time I will cease speaking now but I want you, Mr. Speaker, and all Canadians to know that New Democrats feel very strongly about these issues. We are distressed beyond words that the Government is prepared to allow Air Canada to be privatized and is not prepared even to guarantee that Air Canada will maintain the excellent standards it has had in the past.

**Mr. Maurice Foster (Algoma):** Mr. Speaker, I want to support Motion No. 4 standing in the name of the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) concerning the takeover of other Canadian airlines with international routings because that would destroy competition for international carriers into Canada except those already owned by the United States.

There is great concern that the general thrust of Air Canada has been toward the international. Most Canadians do not mind that. We are proud to see the flagship of our national carrier carrying Canadians and visitors around the world to Canada.

The problem which I see with the privatization, which will ultimately be 100 per cent if this Government survives long

enough, is that the policy direction of Air Canada and service to Canadians will be lost. Air Canada has already pulled out its service to Sault Ste. Marie in my own constituency of Algoma. It now serves only two cities, I believe, in northern Ontario. It is clear that when it moves away from ownership by the Government it will pull out completely and will go in the direction in which it has always wanted to go, that is, toward international carriers. I have no objection to that but I want the national carrier to serve the regions of this country. We oppose this Bill because we think that it is the only way to maintain the regional service and policy service to Canadians.

It is clear that the whole matter of competition is being lessened in a tremendous rationalization of airlines since we have two airlines in the country, Canadian Airlines International and Air Canada, and three if we count Wardair. If this company is allowed to take over Canadian Airlines International when it is privatized all the competition will be lost because Wardair has a very limited service and certainly does not serve the regions. If Canadian Airlines were to decide that there is more money in serving Bangkok, Melbourne, Sydney, London, and other international capitals, we could be left with no service to the regions.

I find it absolutely incredible that in this divestiture the Government is divesting itself, initially at least, of 45 per cent but is going to vote its 55 per cent share with the majority of the private shareholders. If those private shareholders are Texas Air and Pan American Airlines and hold 25 per cent they will have control because the Government of Canada is going to vote with the private shareholders. Therefore, if 25 per cent is held by various American airlines they will have the majority of the shares held by the private sector. The Government has committed to vote with the private sector even though it holds the majority of the shares. That is an incredible disaster.

We do not agree with selling off Air Canada. People in the private sector say that if the Government is going to sell it off it should sell it all in order that it become a fully private sector oriented arrangement. This is a mixture of private and public sector, with the public sector voting with the private sector. I predict that it will be like the BCRIC of the Sacred Government in B.C. before the days of Vander Zalm. It will be a disaster.

We had the same problem with the Canadian Development Investment Corporation where the private and public sectors were mixed. It simply does not work because the public sector is offended and angry when the federal Government intervenes in decisions. It simply does not work and this will not work unless the Government divests itself totally, in which case, of course, we will lose complete control of Air Canada as a carrier which will benefit the regions.

We have seen the beginnings of that in the last three and a half years since the Government came to power. It has been pulling out of the regional airports and leaving them with poorer service. People who live in smaller cities like Timmins,