

Air Canada

55 per cent of the shares, is going to vote with the majority of the minority shareholders.

What do you then have? You have the taxpayers paying the bill and maintaining an equity position in an airline that is going to be run by 23 per cent of the shareholders. That is the reality. It is like saying the House of Commons is going to be run by 23 per cent of the Members. Some 23 per cent of all the shares vested in one group that acts in concert will control Air Canada. They will take decisions contrary, if they want, to the public interest. They will be making decisions which reflect private interests, bigger dividends for shareholders, even though they are in a tiny minority position. The taxpayers, who retain 55 per cent of the shares, may be the recipients of decisions that are not in their best interests.

What kind of cooked-up scheme has the Government evolved? It is one thing to say you are going to offer 100 per cent of the shares, as bad a decision as that would be, to the private sector, and then tell the private sector that if they want to run Canada's biggest airline they are going to pay for it. Before you get to a position to make decisions to benefit your own pockets, you are going to pay for it. You are going to give the taxpayers of Canada their equity back before you sock them in the teeth. It is quite another to take this airline with 22,000 employees and 50 years of history as a nation builder and put it in the hands of a few private individuals. That is what is fundamentally wrong. The Government is preaching a private sector philosophy, that the private sector can do it best, expressing total confidence in the private sector to run a national airline, and giving it to the private sector for a minority position, yet having the taxpayers continue to hold 55 per cent of the shares. That is not privatization, that is a farce.

If you go to the market-place and ask someone if they would like to own Air Canada because we are privatizing it, but by the way we are going to retain 55 per cent in the hands of the Government, and everyone knows the Conservative Government is going to be defeated in the next election, which means a new Government is going to reverse this privatization trend, you have automatically driven down the value of the shares. Not only are you giving away the airline, you have depressed prices by making a minority share offering. We are getting zapped twice. We are not getting the value for our money and we are giving away the company to a minority. It is absolutely ridiculous.

We have heard Members opposite say this is necessary because the company has to renew its fleet. They do not know what they are talking about. They have no interest in Air Canada. They have no knowledge of Air Canada. They do not know its history or the kind of service it provides. They know nothing about its fleet structure. They are merely on their hands and knees before the altar of private enterprise at all costs, not before the altar of common sense and an intelligent mixed economy.

Air Canada is going to replace its fleet of Boeing 727s which is on average nine years old. They will probably be replaced by

the Airbus and they are only halfway through their useful life. Air Canada is going to keep the DC-9 which is 19 years old on average. It is not replacing its oldest aircraft. The DC-9 was built to fly 40,000 cycles. The DC-9s in that fleet, nearly 30 of them, have already flown 60,000 cycles and over the next 10 years they will fly 85,000 to 90,000 cycles. The 727s, which are only halfway through their useful life, are being sold off. Why? Because Frank Moores wants to sell the Airbus to Air Canada and they have to have the cash to buy it. This is a cooked-up scheme to put money in the pockets of those with Tory connections representing the Airbus consortium, and not a sale that makes sense for the people of Canada. It ought to be stopped in the name of fundamental justice and common sense and decency.

[Translation]

Mr. Pierre H. Vincent (parliamentary Secretary to Minister of Finance): Mr. Speaker, I just heard what the Opposition had to say, and incidentally, for the past four years we have been hearing the same old speeches, without rhyme or reason. The same speeches that don't mean a thing. All they do is attack this Government's policies.

Mr. Speaker, the Hon. Member was right to leave after he said the Conservative Government would not be in power after the next election. I might as well tell him right away that the Conservative Government will win the next election and will continue what it was doing about interest rates, inflation, reducing unemployment, creating jobs and privatization.

If we consider Air Canada, privatization will give this Crown corporation easier access to new capital. It will enable Air Canada to go and get the funds it needs to be competitive within the provinces, at the national level and internationally. Mr. Speaker, perhaps I may quote what Canadians generally think about the privatization of Air Canada, not the clouded perspective of the Opposition Parties. Canadians are in favour of privatizing Air Canada.

Last night I was in Montreal, and I was talking to an Air Canada employee who said: "Yes, I can't wait. I want to buy shares in the company". His position was based on the fact that it was a profitable company that over the years had acquired a national and international reputation.

His opinion was also based on the fact that many national and international investment dealers were prepared to sell and organize the sale of 45 per cent of Air Canada shares to the private sector. The same employee told me: "That's a good thing—everybody wants to buy. That's good, and I'm glad the Tories took this position. I'm glad the Government is sticking to what it said in 1984". In 1984, the Government said: We intend to put this country on a sound management basis, and this is one example of sound management. We could have taken the Opposition's position and made promises, with at the end of the line, an enormous annual deficit and national debt. Mr. Speaker, since 1984 the annual deficit has gone down. Since 1984 this country has been managed as it ought to be, and Canadians know that.