

*Air Canada*

States and much as we predicted, we are finding less competition, not more, as a result of deregulation.

We now have the two major airlines, Air Canada and Canadian Airlines, owning, directly or indirectly, small feeder services that will service the hub airports of Toronto, Ottawa, Montreal, Vancouver, Thunder Bay, Winnipeg and what have you, and then transferring on to the major carriers.

My colleague made reference to the problems in his area about individuals who have to fly in order to obtain medical services. One of the things that we found during our hearings into deregulation, particularly when we talked to people in the smaller communities or in the communities that were in such a geographical location that they had to fly to hospital, was that you could not get the same kind of service on an Air Canada DC-9 as you could on a Canadian partner that seats 19 people. You are unable to get a wheelchair or a stretcher in to transport an ill individual to those communities.

Although it is not directly related to the privatization of Air Canada, it certainly is part and parcel of the approach and the end result of the privatization deregulation push in this Government.

Let me deal with the Act itself.

**An Hon. Member:** How come Canadian Airlines would prefer to take smoking off their flights?

**Mr. Angus:** They saw the writing on the wall. This Government did not have the guts at that point in time to send a directive to Air Canada saying that that is what they would like them to do.

**Mr. Turner (Ottawa—Carleton):** Don't be silly.

**Mr. Angus:** It took a New Democratic Member of Parliament, who had the courage for years to plant the seeds about that issue and was able to get legislation passed in this House, and in the other House, to ban smoking on domestic flights. That is what it took. It was not the Government that moved; it was a New Democratic Member that moved.

**Mr. Turner (Ottawa—Carleton):** Don't be silly.

**Mr. Angus:** Now that I have their attention, let me go into the suggestions that my colleagues have put forward in terms of changes to the Bill, suggestions which unfortunately were not accepted by this House, by this Government in particular, which would have made what we think is a very bad Bill, a very flawed Bill, a little bit better, at least in providing some protection to the taxpayers.

The one that I was most interested in was the limiting of foreign ownership in Air Canada. The Bill currently follows international trends or conditions that maximize by 25 per cent the ownership of any airline in Canada. That is similar to a provision in the United States.

I gather that during committee hearings the committee was warned that the American Government is now moving to increase the allowable percentage and, because of the trade deal, which calls for harmonization between our two countries, that in fact Canada would have to follow suit. So if the Americans go to 40 per cent ownership allowable for foreigners, Canada would have to do the same thing. It would apply directly to Air Canada.

We tried to change that. We were worried that we might have a situation where one of our two airlines, whether it is Canadian or Air Canada, becomes acquired in large part by an American carrier and we develop into a hub and spoke system that is based not in our Canadian cities, where the hubs are, but in some of the major U.S. cities, and we find Canadians having to travel south to Minneapolis or Washington or New York before they could move back into Canada to another point. This is something that Sir John A. Macdonald made sure would not happen to the rail system when he arranged for the financing and development of the CPR to keep this country together. He was concerned about the north-south movement when what he really wanted was an east-west movement to keep this country whole. I would encourage his descendants in the Tory Party to rethink perhaps what they are doing in that regard.

The other amendment was to try to put into fact what the Deputy Prime Minister (Mr. Mazankowski), in tabling the Bill, suggested was there, and that is to limit the actual share offering. As we know, the legislation is open-ended. It could allow—and in fact the Minister has stated that at some point it will allow—100 per cent of Air Canada's shares to be sold to the private sector, to private individuals.

**Some Hon. Members:** Hear, hear!

**Mr. Angus:** I hear "hear, hear". I am not surprised that some of the Conservative government Members want to see the whole airline sold. Given the way the legislation has been written and the directive given by the Government to Air Canada to vote its majority 55 per cent share with whatever the wishes of that minority group are, maybe it is just as well that they went the whole route. It is a half-baked pie that we have here. We tried to put in the legislation the restriction that only 45 per cent of the shares be offered to the public.

• (1640)

Let me deal with the philosophical aspect of this matter. Why do New Democrats oppose the sale of this Crown corporation? Is it because we like to own things as governments? Some people think that that is how we operate. Or is it because there is a need in a country like Canada to give the elected representatives of the people a chance to influence trade and travel patterns within the country? Yes, we have regulations that provide some level of control on transportation companies, airlines, railway and trucking companies. But if you give up the other element in the equation that government policy initiatives be directed through a Crown corporation to