

Air Canada

The Bill before us tonight is downgrading a thing of great pride to Canada. It is turning a major public asset and utility into the hands of very few people, to the detriment of the transportation system of Canada and indeed to the detriment of Air Canada's reputation.

Ms. Audrey McLaughlin (Yukon): Madam Speaker, Air Canada has served this country for over 50 years. It has been an extremely reputable airline, as the Hon. Member who spoke previously said, and it has certainly provided a standard in aviation services to which many of its competitors have aspired. More important, Air Canada has been a symbol of a public commitment to the provision of air service to a country which has a very diverse geography and through which air travel is extremely expensive and difficult. Air Canada certainly was the pioneer.

It is with sadness that I participate in this debate today. I do not think Air Canada should be privatized nor do I think any part of it should. This rather peculiar arrangement of having 45 per cent of the shares sold and 55 per cent held by the Government is not necessarily one which, in my view nor in the view of my Party, will serve the interests of Canadians.

The two motions before us now are obviously attempts to preserve some integrity in this Bill at least with regard to Air Canada's shares. The motions deal with the percentage of shares that can be held by non-residents, as well as with the percentage of shares to be disposed of in the public market.

On the matter of foreign ownership, it is extremely concerning that not only is this a move by the Government to privatize this airline but in fact it is a move to de-Canadianize it in a very specific way. It de-Canadianizes it by allowing the number of foreign-owned voting shares to be up to 25 per cent. This motion proposes that that figure should be reduced to 5 per cent to prevent the eventual takeover of Air Canada by non-residents.

The Government has indicated that 45 per cent of Air Canada's shares will be sold and that the remaining 55 per cent will be voted passively by the Government. In essence, the shareholders of the 45 per cent will dictate to the 55 per cent what will be done. The 25 per cent of foreign-owned or non-resident owned shares will be a part of that 45 per cent. Clearly, it is not in the interests of Canadians to have our national airline, the people's airline, controlled by foreign interests.

The 25 per cent limitation exists because, as I understand it, that is the limit the United States puts on foreign ownership of its airlines. However, the 5 per cent proposed in this amendment would be reasonable and would greatly improve upon this legislation, because it would ensure that we do not run the risks that were outlined in committee by Professor Fred Lazar, a transport economist at York University. He pointed out several areas of concern. Eventually, with the high percentage of non-resident ownership, we could see diversions of flights that might serve particular areas of Canada.

As we have seen with deregulation in the United States and as we are beginning to see in Canada, a diversion of services is often a diversion away from the less profitable areas, the more remote areas of Canada, those areas where air transport in some cases is essential or in some cases is the only mode of transportation. That would be the case for some of the far northern areas.

Those of us who live in more remote areas of Canada are very sensitive to the possibility of seeing the principle of serving the entire country including more remote locations undermined by having control taken away from the public sector and also by having potential control over the airline by non-residents who would obviously not have the interests of Canada—

Mr. Redway: Madam Speaker, I rise on a point of order. As the Hon. Member knows, the Bill deals with the privatization of only 45 per cent of the shares of Air Canada and 55 per cent will be retained by the Government. Therefore, the comments of the Hon. Member with respect to foreign ownership and control of Air Canada are completely out of order and irrelevant to the issue at hand. I would ask you to rule that the points being made by the Member are out of order.

• (2110)

The Acting Speaker (Mrs. Champagne): In a Bill as complex as this one a ruling on the question of relevancy is rather difficult. Many Members have spoken on different aspects of the Bill, and I am sure that if the Hon. Member wishes to enter debate and disagree with what an Hon. Member is saying, he can do that a bit later.

Ms. McLaughlin: Clearly, Madam Speaker, what is being discussed here is the incremental aspect of a percentage of foreign ownership. The motion clearly suggests that this potential would be drastically reduced if the percentage were reduced to 5 per cent of the shares. That is the crux of the argument. I well understand, as I have already said, that it refers to the 45 per cent of the shares held by the public.

Another aspect of this Bill that I would like to comment on is Section 8 which leaves the percentage figure as it stands now entirely open. It could be 1 per cent or 50 per cent. The amendment would hold the Government and subsequent Governments to the promise that only 45 per cent of the shares would be sold. Of course we heard initially that Air Canada was not for sale. Now half of it is for sale or it will be partially privatized, but what is important about our amendment is that it simply confirms the statements the Government has already made. The 45 per cent would be specified in the legislation.

If the Government is going to control actively its 55 per cent as proposed and place its majority of directors on the board, then Air Canada's management will still have to respond to the public policy agenda I referred to earlier, which most Canadians want from a Canadian airline that serves all areas of the country. Unfortunately, I feel that under privatization we are going to lose that.