

Adjournment Motion

Given the current state of equity markets, the level at which airline company stock is trading, taking into consideration the coming election and the likelihood of a change in Government, Air Canada could be stuck in the position of being a mixed enterprise for some time to come. That would be a tragedy because it would be left out there in limbo. It would be a continuation of the uncertainty which has beset Air Canada since the Government took office in 1984 with its on-again off-again privatization policy. All this when Air Canada is trying to recoup market share in response to the stronger competition and the forces of deregulation. Given that, the Government has placed Air Canada in the weakest possible position.

I am also concerned that the anticipated major offering of Air Canada shares will act as an overhang in the equity markets and this will not help other airline companies. It may actually hurt them because of competitive share issues with which they may not be able to deal, at least in the short run. They will of course need financing for their own capital acquisitions and to meet the competition under deregulation.

There have been strikes at Air Canada, but I would agree most whole-heartedly with the Deputy Prime Minister in that Air Canada has an excellent workforce. Some are in favour of privatization, others are opposed. However, I think it is unfair for the Minister to use the figures he has used in this respect because, frankly, the 22,000 Air Canada workers should not be used as pawns in this privatization action. If the Government is planning to privatize Air Canada, then it should be able to stand up in the House and do so without using the employees of this very important and renowned company as a crutch. The Government will, after all, have to take full responsibility for this privatization if it goes through. If Air Canada suffers, it is going to be the Government that will bear the brunt of the public denunciation and humiliation.

As I said earlier, it is a question of money. The Government wants money to buy planes for Air Canada. It will need as much as \$2.5 billion and that is a lot of money. The Government feels it needs approximately \$300 million in the short term for the first payment on these planes. It is worth noting that the Government expects to obtain somewhere between \$300 million and \$500 million for the sale of the first 45 per cent, enough for the down payment on those planes. What is the Government going to do for the rest of the money? Certainly the receipts from the sale of all the shares of Air Canada are not going to be enough to pay for the planes. It could very well be that we will have a position where the market is not going to be responsive to this share issue, either the first 45 per cent or the second 55 per cent. The shares will then not be sold for what the Government hopes. Of course, there is, as I mentioned earlier, the cost of the balance of the airplanes. The Canadian public is still not going to be able to pay for the planes and the Government is going to leave everyone in a short-fall situation.

Of course, if the equity infusion is insufficient even after selling off all the shares, Air Canada will be no better off than

it is today. The privatization will have achieved nothing but will have cost Canadians a great deal.

The privatization of Air Canada is hasty, ill-conceived, and is being mounted for no good reason. The Government has no mandate, no right and no need to privatize Air Canada. The company has been in business for 51 years, it is operated well and profitably, and has been a credit to this country. The Government is not treating it as though it were the proud and important corporation it is. It is treating it more like a booth at a county fair.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—Tax Reform—Ways and Means Motion—Prime Minister's Statement/Prime Minister's Statement; the Hon. Member for York Centre (Mr. Kaplan)—Presence of Convicted Terrorist in Canada/Request for Explanation of Procedure Chosen by Government; the Hon. Member for Swift Current—Maple Creek (Mr. Wilson)—Canada Pension Plan—Eligibility for Disability Benefits.

GOVERNMENT ORDERS

[*English*]

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this Bill has not been brought forward because there is a pressing desire for privatization of Air Canada, or a need either by the people of Canada or the company itself. Air Canada is just one example of the many publicly owned corporations established by Governments in Canada since we became a country. These publicly owned Crown corporations have been established not by Governments opposed to free enterprise. Very few of the Crown corporations we know at the federal or provincial level were established either by CCF or NDP Governments. Rather, they were established by Governments and Parties which