

Air Canada

● (1250)

What that does to Clause 6 is add certain restrictions and reinforce certain of its provisions. For example, we have in Clause 6 provisions that non-residents can own only 25 per cent of the shares. As well, only 25 per cent of the non-resident shares can be voted at any annual meeting. That is an important safeguard. The clause also says that Air Canada must maintain its maintenance base in Winnipeg and its head office in Montreal. Those are important provisions and there must be a provision requiring them to be abided by and there must be sanctions should they be breached.

In Bill C-21, the Act to privatize Eldorado Nuclear and merge it with the Saskatchewan Mining Development Corporation, we find the exact wording of my proposal. Yet it is not included in this Bill dealing with Air Canada. The Government is saying it does not need that clause in this Bill because we are protected by Clause 6(2) which refers to the Business Corporations Act and says that Act will look after these requirements. However, I will read Clause 6(2) which says:

(2) The regulations made pursuant to subsection 168(5) of the Canada Business Corporations Act apply, with such modification as the circumstances require, in respect of the Corporation as if the constraints imposed pursuant to paragraphs (1)(a) and (b) were a constraint referred to in paragraph 168(1)(a) of that Act.

The first deficiency is that the application of the Canada Business Corporations Act only applies to subclauses (a) and (b). It does not apply to subclauses (c), (d) and (e) as they are presently in the Act, and does not apply to (f) which would be the first part of Motion No. 4 that I am proposing. In effect, the provisions referring to the percentage of non-resident shares being voted at an annual meeting, the requirement that the maintenance base be maintained in Winnipeg and the requirement head office be maintained in Montreal, cannot be enforced. The provisions are there but the Government is saying they do not have to be abided by. That is ludicrous.

Let me just go on and see what safeguards the Canada Business Corporations Act provides for this clause. I want to refer to Section 168. This is the constraint referred to. Section 168(1)(a) says that subject to subsection 170 and 171 a corporation, any of the issued shares of which are or were part of a distribution to the public and remain outstanding and are held by more than one person may, by a special resolution, may amend its articles in accordance with the regulations to constrain the issue or transfer of shares to any class of persons who are not resident Canadians. That may be fine but there is an optional provision there. The Government does not have to abide by this. It is optional. Then we go to Section 168(5) which is referred to in the Act. Once again it is optional. Therefore, the Canada Business Corporations Act does not help us to make sure that these provisions in the Air Canada Bill have to be followed. I think if they do not have to be followed and are not followed it is going to be devastating to this country.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I am very conscious of the fact, and I hope the Member for Algoma (Mr. Foster) is, too, that we really need to get this part of the Bill through in order that the agricultural Bills, which are also important, can be debated. Since there will be no vote on this Bill until Monday night at six o'clock, we are in a very difficult position. As a New Democrat opposed to the privatization of Air Canada, I would dearly like to debate this Bill until two thirty today and again from ten o'clock on Monday right through the day. However, in the end the vote will take place at the same time. Therefore, it is the kind of thing one does at this time of year, that is, to speak less fulsomely than one would like on an extremely important principle.

The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) has already spoken to his amendments and the ones put forward by myself on behalf of my friend from Winnipeg North which are rather similar. We in this Party are trying to ensure that if Air Canada is to be privatized because of a decision of the Government, we do not then wind up losing the standard of service, safety, maintenance, and commitment to Canadian content in its purchases by Air Canada which we have had in the past.

It is regrettable that in its desire to make Canadian air transportation a clone of the U.S. system the Government was not prepared to put these kinds of provisions in the Act to begin with. In addition, it is important that the articles of continuance, when they are drafted, have provisions to ensure that the commitments which are to apply to Air Canada are enforceable. I do not want to see a situation where pious wishes are put into the articles of continuance but the board of directors, which according to the Government will include only passive participation from the majority shareholder, the people of Canada, will be able to say we saw that but it was not very important and forgot about it.

There will be no means by which an employee, a union, a customer or simply a Canadian concerned about Air Canada will be able to ensure that the commitments being made in this Bill are lived up to.

It was stated repeatedly in committee that Air Canada is the leader among Canadian airlines in safety and maintenance. Do we want it to stay that way or do we want to allow the standards to be steadily downgraded as a means of shaving a dollar or two off the fares here and there? I suggest that this motion could be seen as a vote of confidence in the way that Air Canada's management and employees have run the airline over a lengthy period of time. I feel that sense of confidence and I am sorry the Government does not feel the same but is withdrawing its participation and letting Air Canada go into the private sector.

● (1300)

I fear that the quality of service we receive from Air Canada is going to diminish. Thanks to the magic of telecommunications, the new Air Canada management will find the area of