

*Air Canada*

well know, is now before the House under time allocation. Without commenting one way or the other on the value of the procedural matters that were just raised in the last half hour, would the Speaker advise the House, given that we are dealing with Bill C-129 under time allocation and that this time allocation was imposed on two of the three Parties in the House, the opposition Parties, whether or not the half hour just spent on procedural matters is lost under time allocation or whether it will be added on.

**Mr. Speaker:** I thank the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin), but I can answer that question, and I am afraid it is lost. That, of course, is just a procedural fact of life and I know Hon. Members will understand that. I thank the Hon. Member.

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## 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, and on the motion of Mr. McDermid (p. 15859).

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, I am pleased to have been able to wait for half an hour of the valuable and short time left to be spent dealing with an important matter like Bill C-129. Time is limited and debate will end this afternoon. I am pleased to speak on the Bill.

In bringing in time allocation on Bill C-129, a Bill to authorize the privatization of Air Canada, the selling of a crown asset, a publicly owned asset, to the private sector, the Government has been attempting in the few remarks we have heard from Members on the government side to paint a rather over-simplified picture of the purpose of Bill C-129. We have heard government Members suggest that Air Canada should be privatized because there is no need to have the Government—that is, the taxpayers—engaged in activities that can be carried out by the private sector.

● (1600)

There is no question that most sensible-minded, reasonable Members of Parliament would agree that anything the private sector can do efficiently and properly ought to be done by the private sector. There is no compelling philosophical reason to have Government do something that the private sector can do. However, that is not the issue with Air Canada. The question is not: Are you for private sector activity versus public sector

activity? The question is: Should Air Canada be privatized at this time and in the manner the Government proposes?

Canadians should know, first, that they have a Prime Minister (Mr. Mulroney) who, after he was elected, when questioned about the privatization of Air Canada, said on January 15, 1985, in *The Globe and Mail*:

Air Canada is not for sale.

He made a commitment that Air Canada would not be sold. Air Canada would remain public property to serve the public good. Yet in this Bill now being debated in Parliament before the nation we have another major contradiction by the Prime Minister.

What kind of privatization is it? We are in a deregulated transportation environment which only began a year ago in Canada. There are no more regulations governing operations of airlines. The Government's continued ownership of Air Canada in that new environment, emulating what is happening in the U.S., gives us a window on the industry. It gives us an opportunity, without using regulations, to exercise a measure of control by having at least one of the players in the industry owned and controlled by the Government. That is why I am opposed to privatization of Air Canada for now.

I am also opposed to it because I want to see at least one airline continue to provide in this vast country, with a mere 25 million people, a level of service to Canadians no matter where they live. In a purely private sector industry, no carrier will provide that kind of commitment to Canadians living in rural Canada. It will not be there for people who live in rural ridings such as your own, Mr. Speaker, rural but nevertheless an important and dynamic part of Canada. It is purely the bottom line which decides where service should be provided.

What is wrong with this privatization measure the Government has proposed? I say that if you are going to privatize something, be it Air Canada or something else, then do it properly. If you are going to sell Air Canada off, then sell it off, lock, stock and barrel. Sell 100 per cent of the shares and be done with it. As bad a decision as that would be, selling it totally is a better decision than selling it partially.

What is the Government doing? The public does not realize what is happening. When they hear "privatization" they assume Air Canada is going to be sold. Yet the Government is making only 45 per cent of the shares of Air Canada available to the private sector. It is going to retain 55 per cent of the shares on behalf of the Canadian people. The people of Canada will continue to be majority shareholders. Then the Government says it is going to tell the official, the bureaucrat, the government employee who holds that 55 per cent to vote those shares on any question before the board with the majority of private shareholders. Basic arithmetic. With 45 per cent in private hands, that means that if 23 per cent of the shares of Air Canada, which represents more than half of the 45 per cent, were to get together and make a decision, they will control Air Canada. The Government, which continues to hold