

*Air Canada*

when he said "It obviously depends on the local situation". The British situation is not the Canadian situation.

Thatcherism and Thatcher's objectives are not necessarily the objectives of the Government of Canada. The objectives of Mrs. Thatcher, as I understand them, were to conduct a total revolution of British society and the British economy. Such is not the objective of the Government of Canada.

The objective of the Government of Canada in this case is to deal with a Crown corporation which has, as I have already indicated, a marvellous record of service and splendid employees but which history has bypassed in a sense in the context of its having a national policy objective of the Government of Canada for which it was put in place initially in 1937.

As to whether there should or should not be a hybrid with some state ownership or some investor ownership, I think we have had some remarkable examples of success in that regard in the recent past. I point to some examples carried out by the current Government of Alberta. I point with some knowledge—and I am sure the Hon. Member has far deeper knowledge than I—to the hybrid corporations which exist in that marvellous democratic socialist state of Sweden.

However, I do not think it is necessarily the intent of the Government of Canada always to maintain a 55 per cent stake in Air Canada. We do not know what the future holds. The purpose of the Bill before us today is to enable the people of Canada to acquire 45 per cent of the shares.

Finally, with regard to the comments of the financial analyst, I read those as well. I am aware that there were proposals made by many financial houses in Toronto, and perhaps elsewhere, as to the best method of the privatization of Air Canada. I do not wish to suggest that these comments were made by a disappointed consultant, but that indeed is the possibility. I believe there were 10 or 11 houses which were offering proposals. If only one proposal was embraced, naturally nine or ten would have been embarrassed and disappointed.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I am happy to take part in this debate although I wish we did not have to. I want to begin by citing a little bit of history, for the benefit of my colleagues who may not be aware of it, about the development of a national airline in Canada. It was called Trans-Canada Air Lines when it started. Between 1935 and 1937, C.D. Howe, the then Minister, approached Canadian National Railways and Canadian Pacific Railway to join in a tripartite partnership in the formation of a national airline. There was much negotiation and discussion but Canadian Pacific said it would not do it.

• (1710)

The offer was for the federal Government eventually to get out of the three-way ownership so that the airline would be owned by both railways. However, CPR said no, and the Government of the day went ahead to form Trans-Canada Air

Lines with capital investment by both the Government of Canada and Canadian National Railways.

Trans-Canada Air Lines began flying in 1937, and obviously in the late 1930s and early 1940s it lost a bundle. The free enterprisers pointed their finger at how a Crown corporation did not work and that the free market forces should prevail.

In the late 1940s, Canadian Pacific began an airline with scheduled routes. To its credit, it flew to remote places as well as the larger centres.

When Trans-Canada Air Lines began making a profit, the hue and cry became louder. When it was losing money, Trans-Canada Air Lines was evidence of how public ownership did not work. However, when it began to make money, the private enterprise, free market forces people, reversed their stance and said that a Crown corporation should not make a profit, because that should belong to private enterprise.

Where were these free enterprisers and free market forces boys when the country needed them? If they could not make a bundle, to hell with Canada, they would not do it. The bottom line syndrome takes priority over everything else. They would run over their own mothers if they got in the way.

The taxpayers of this country made the investment. Trans-Canada Air Lines built the routes and the market. As soon it began to make money and taxpayers began getting a return on their investment, those who support free enterprise began asking for a piece of the action. They said: "We want some gravy off the top".

I can only call the private enterprisers and free market forces types a bunch of freeloaders. They are not prepared to take the bad with the good.

How many times have the advocates of free enterprise and free market forces asked to be left alone? How many times have we had to bail out free enterprise in the last 10 years? Who came running to the Government for a hand-out and bail-outs? It was not the poor people of Canada or the unemployed; it was the banks, Chrysler Canada and Massey Ferguson. Taxpayers are as much entitled to a return on their investment as any individual private investor.

I have yet to hear someone give me a rational explanation of why someone should buy shares in something they already own. If this chance for Canadians to buy shares in Air Canada is such a good deal, why does the Government not take up the balance of the authorized shareholdings, \$750 million, as it is authorized to do by legislation of this House? It would make sense because Air Canada is a profitable corporation and ranks in the top 10 airlines in the world. Currently, the Government of Canada has \$329 million in authorized shareholdings on behalf of the taxpayers. Air Canada says that it needs some \$300 million to \$400 million in initial funding for the purpose of purchasing new aircraft.

No one disputes that Air Canada is a good and profitable company. Why should the taxpayers of Canada not finally