

*Air Canada*

**The Acting Speaker (Mrs. Champagne):** Order. It is really impossible for the Chair to hear the Hon. Member. The Chair would appreciate it if the House were to quieten down. The Hon. Parliamentary Secretary.

**Mr. Hawkes:** Thank you for the intervention, Madam Speaker. I could get louder, as Members know, but I would much prefer your solution of a quieter House so that we could have perhaps more of a reasonable debate.

Members will know that this Government has made a lot of changes in Canada in the last four years, and not the least of those was the passage of the new National Transportation Act which we passed in 1987 in this House. That Act eased the economic regulation of the industry and permitted greater reliance on market forces as the context in which airlines should operate.

It is true that that kind of increased opportunity system for the private sector is of great benefit to consumers. Those of us who fly back and forth to Ottawa from western points with some frequency can indeed attest to the reality that the service today is better and more frequent. We have more options, and prices indeed are competitive.

[Translation]

These changes lead to a restructuring of the air transportation industry, which consisted of a single national airline, a few regional carriers and several local carriers.

Hon. Members are well aware that today, our country enjoys the services of two national carriers, Air Canada and Canadian Airlines International. The two airlines operate on the same principle: they both have regional and local partners and alliance carriers that provide small communities with greater frequency of service.

In addition, Wardair, a company from Alberta, is becoming a strong competitor, both on the domestic market and on international routes.

As for those who maintained that regulatory reform and changes in ownership would bring about a drop in both quality and quantity of service, I would merely refer them to some very revealing statistics. Between 1984 and 1987, for example, weekly scheduled domestic departures across Canada rose from 6,200 to 9,300, an increase of 50 per cent.

[English]

In today's modern world—and earlier this day I spoke about the Opposition and their inability sometimes to comprehend a modern world—there are 17 major national carriers, and I say major national carriers in terms of their fleet size. I think we can proudly say that Air Canada is one of those 17 national carriers. In that group, only three of the major carriers in the world today are totally state-owned. What are the three? Before we pass this Bill, Air Canada is one of them. The second one is Aeroflot, the Russian state-owned airline. The third one is CAAC, the airline of the People's Republic of China.

It is time that we got out of the business, as other nations have done before us, of having a major airline carrier totally state-owned. It is time to join the modern world, as other nations such as Great Britain, Japan, Sweden, Switzerland, France, Italy, New Zealand, Spain and Australia have done or are in the process of doing. In the commitment to safety, which some suggest may have been compromised or may be compromised by this Bill, that kind of complaint simply does not hold water.

• (1710)

The Aeronautics Act, 1985, is another major achievement of this Government. It is further demonstrated that expenditures on air transportation infrastructure, including safety equipment and program expenditures have almost tripled over the last decade in response to initiatives of that kind.

Public participation in the ownership of Air Canada will have no effect—may I repeat that, Madam Speaker, no effect—on the framework of safety laws and regulations which apply with equal force to all air carriers operating in this country, whether we are talking about major air carriers or small air carriers.

[Translation]

Madam Speaker, since the last Liberal Government passed the Air Canada Act, 1977, under which Air Canada was to operate on a commercial basis, the Corporation has always been guided by this principle in purchasing equipment. In fact, from its early beginnings fifty-one years ago, Air Canada has always purchased the kind of aircraft that was best suited to the type of work it was asked to do.

Initially, Madam Speaker, privatization will give Air Canada the freedom it needs to respond quickly and effectively to market demand, without being subject to the constraints and formalities of the Financial Administration Act. Furthermore, the Corporation will have access to the same venture capital markets as its competitors.

Public participation means that Air Canada will be able to compete with other carriers on an equal footing. According to the Canadian Consumers Association, this can only enhance the quality of service offered to Canadian travellers.

[English]

Air Canada's employees have indicated their support for this initiative too. It will give them the opportunity to share in the ownership of their own company. The interest on their part is probably the best assurance Canadians have that the people who work for the company, who believe in the company, would like to participate in the ownership of it.

According to studies carried out both by Air Canada management and the Air Canada employee ownership committee, representative of a broad cross-section of employees all the way from the machine shop floor to the executive suite, employees support the opportunity to buy