

*Air Canada***GOVERNMENT ORDERS***[English]***AIR CANADA PUBLIC PARTICIPATION ACT**

MEASURE TO ENACT

The House resumed consideration of 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, as reported (with an amendment) from a legislative committee.

Mr. Russell MacLellan (Cape Breton—The Sydneys) moved:

Motion No. 4.

That Bill C-129 be amended in Clause 6 by adding immediately after line 37 at page 3 the following:

“(f) provisions restricting the Corporation from acquiring control, through ownership of shares or otherwise, in an air carrier providing international services under a license issued pursuant to the *National Transportation Act*;

(g) provisions respecting the enforcement of the constraints and requirements imposed pursuant to this section.”

Mr. Mike Cassidy (for Mr. Orlikow) moved:

Motion No. 6.

That Bill C-129 be amended in Clause 6 by adding immediately after line 37 at page 3 the following:

“(f) provisions requiring the Corporation to maintain and strengthen its role as a Canadian Corporation by ensuring that labour, equipment and services required by the Corporation be Canadian in origin wherever feasible and where not feasible that Canadian content be maximized as a part of such labour, equipment and services requirements;

(g) provisions requiring the Corporation to maintain existing Corporation standards respecting safety, maintenance and customer service;

(h) provisions requiring any subsidiary corporation of the Corporation to be bound by this Act including any subsidiary corporation which may be formed from or by the parent Corporation once this Act comes into force.”

The Acting Speaker (Mr. Paproski): I recognize the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) on Motion No. 4.

[Translation]

Mr. Grisé: Point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Parliamentary Secretary on a point of order.

Mr. Grisé: Mr. Speaker, in the Chair's decision yesterday, Motions Nos. 4 and 6 were to be debated together and voted on separately.

[English]

The Acting Speaker (Mr. Paproski): Yes, they are to be debated together but voted on separately. The Hon. Member for Cape Breton—The Sydneys has the floor.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would like to speak to Motion No. 4 which I think deals with a very severe deficiency in the Bill that is before the

House. I believe that it is a deficiency which must be corrected.

Motion No. 4 is in two parts. The first part relates to Clause 6 and refers to Air Canada not being able to purchase the shares of another airline that has international routes in accordance with the National Transportation Act. The primary reason for this is that all Canadians want to be assured that there is competition between the airlines in Canada. The Air Canada Act as stated alleviates any fear that any other airline in Canada will purchase controlling interest in Air Canada because each shareholder can only hold a 10 per cent interest in Air Canada. Unless there is a shareholders' agreement among various shareholders, an airline will not have controlling interest in Air Canada.

However, the other alternative must be looked at as well. We must not lose our competition through Air Canada purchasing the competing airlines which, in this case, would be Canadian Airlines International and Wardair. If that were to happen, then the lack of competition would drastically reduce any efficiency that would be left in the air transportation industry in Canada as a result of the privatization of Air Canada.

Canadian Airlines International, of course, was formed as a result of the merger of Canadian Pacific and Pacific Western Airlines. Because Pacific Western Airlines purchased Canadian Pacific, I think it is safe to assume that this airline is governed by Alberta legislation which, I believe, restricts the amount of ownership that any one shareholder can hold in Canadian Airlines International. That is not something with which I am very well versed, but that is my understanding.

That, of course, would alleviate the concern of Canadian Airlines International being purchased by Air Canada for the moment. However, the Legislature of Alberta is outside the jurisdiction of this House of Commons, and as such, can change its legislation as it wishes. This would mean that Canadian Airlines International, if it is restricted from having any of its shareholders own more than a certain percentage of its shares, could have that provision changed by the Legislature of Alberta. This amendment also reflects the fact that Wardair is not so bound.

Perhaps there is the protection of the National Transportation Act, but there is a certain amount of leniency in the federal Government's regulations which could ultimately lead to Air Canada purchasing its major international competition. For that reason, I think it is paramount that this amendment, Motion No. 4, which adds subclause (f) to Clause 6, be approved by the House.

Hon. Members will also note that there is a second portion to Motion No. 4 which would add a subclause (g) which deals with provisions respecting the enforcement of the constraints requirements imposed pursuant to the clause.