

Air Canada

Mr. MacLellan: I want to refer now to the National Automobile, Aerospace and Agricultural Implement Workers Union of Canada, the CAW. I have referred to its statement about contracting out. In the statement other good points were made which I think bear mentioning. These people reminded the committee that at least three criteria were identified by the former Minister of State for Privatization, now the Minister of Employment and Immigration (Mrs. McDougall), as prerequisites for a Crown corporation to be turned over to the private sector.

The first of these criteria is that the Crown corporation in question no longer serves a public policy purpose. Air Canada certainly continues to serve a public policy purpose. It is serving the needs of the public of Canada. Air Canada is serving the Canadian public and is looking after the interests of Canadians with respect to the expected level of maintenance as well as competition. If we do not have that public policy purpose, then, of course, it is the Government that is throwing away the public policy purpose. Certainly one is there if the Government is to recognize its responsibility.

The second criteria governing the sale of Crown corporations is that the corporation adds to the national debt. Air Canada does not add to the national debt. Air Canada has not been granted any funding for a great many years. Since 1973, I think, there have been only two years when Air Canada had a deficit. But the Government will ignore that. In 1986, Air Canada reported a profit of \$40.4 million. In 1987, Air Canada reported a \$45.7 million profit, a 13 per cent increase over the profit in 1986.

The third criteria stated by the previous Minister of State for Privatization for a change from public to private status is that the Crown corporation is unable to compete effectively. Air Canada has shown that it is perfectly able to compete effectively. The Government sets out these three criteria and has proceeded to ignore them. How many times have we seen that happen not only with respect to Air Canada but with respect to so many other things? The Government tries to set out policy, then does not like the results of the policy it set out and proceeds to ignore it. Perhaps it is because the Government has become bored trying to act in the public's interest or because it offends some of the vested interests to which this Government tries so hard to be nice.

In the same brief it is quoted by the CAW that:

Air Canada workers in Atlantic Canada, Quebec, northern Ontario, Saskatchewan and British Columbia can look forward to a choice between leaving their homes and communities or accepting a \$6 an hour job with a commuter carrier or being out of a job altogether.

That is a sad commentary if that is what is going on in this country. We were assured that that is exactly what is going on in this country today.

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The major airlines are dropping services to many communities and some of these services are being picked up by feeder

airlines which pay their employees considerably less than the major airlines. The alternative is that service is not being provided at all.

We were told something very interesting by the executive of Air Canada. We were told that there was no surplus in the Air Canada pension plan. Yet, the presentation made to us by the CAW states:

As of December 31, 1987, according to the company's annual report, the Air Canada pension fund had a market value of \$2.35 billion (this was *after* the October 1987 stock market crash), compared to liabilities of \$1.87 billion, for a surplus of \$485 million. This pension piggy bank will be a very tempting target for a private corporation.

The company told us that there was no surplus in the pension plan. I refer this very important question to the other place when it gives consideration to this Bill, as it undoubtedly will shortly.

I want to refer to the group that the Hon. Member from Newfoundland mentioned just a few minutes ago. This is a group called the Air Canada Employee Ownership Committee.

Mr. Orlikow: Who are they?

Mr. MacLellan: Who are they indeed. That is probably one of the best kept secrets in Canada.

We have to take this in the context of the situation in which it occurred. We have to consider first that the Government only allowed one day for witnesses in committee, and the pilots were our first witnesses. Then all the other unions were lumped together in one group. Then as our third set of witnesses we heard two people from the private sector. The fifth group, the executives of Air Canada, followed in the evening, but the fourth group of witnesses was this group called Air Canada Employee Ownership Committee.

This is a group with no constitution, no executive, no standing before the law whatsoever—

Mr. Orlikow: No membership list.

Mr. MacLellan: No membership list whatsoever. It is one of the most clandestine organizations, evidently, in Canada. This group was brought in even though public consumer groups such as Transportation 2000 were denied access to the committee. This group was brought in to refute the testimony of the unions. It was the equivalent of union busting.

The Government flatly denied that the unions had the right to speak on behalf of the workers of Air Canada so it brought forward this group comprised of employees of Air Canada. The only criteria for being a member of this committee is to send in \$2.

The Hon. Member from Newfoundland is correct. I refused to question this group because I refused to be a part of what the Government was trying to do. I took this as an affront. Even if the union executive did not have any members who agreed with it, the union executive still, constitutionally, has the right to speak for its membership. The Government did not