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Mr. Pablo Rodriguez

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• (0905)

[*Translation*]

The Chair (Mr. Pablo Rodriguez (Honoré-Mercier, Lib.)): We are ready to start the meeting. Good morning to all my committee colleagues and to our guests from Air Canada.

As requested by committee members, the Standing Committee on Official Languages will hear from representatives from Air Canada today. We all know that this company plays a specific role in air transportation in Canada. So we felt it was important to hear from Air Canada representatives here today.

As is customary, we will start with the presentation by the representatives from Air Canada. Following that, each party will participate in several rounds of questioning.

[*English*]

Mr. Dee, welcome. Could you introduce the people who are with you and then start your presentation.

Mr. Duncan Dee (Senior Vice-President, Corporate Affairs, Air Canada): Thank you, Mr. Chairman.

Mr. Chairman, and honourable members, good morning, and thank you for the opportunity to update the committee on Air Canada's linguistic action plan.

With me today are Renée Smith-Valade, Air Canada's director of corporate affairs and government relations, and Louise McEvoy, the company's manager for linguistic services.

Let me begin by updating you on our company following our successful restructuring under CCAA.

Today, Air Canada is a wholly owned subsidiary of ACE Aviation Holdings, a Canadian aviation holding company that also operates several other businesses, some of which will be familiar to you, while others are entirely new.

[*Translation*]

The challenges of Air Canada's restructuring are well known and have been chronicled in the Canadian and even international media.

Throughout our complicated corporate restructuring, however, members of the committee should be comforted to know that the corporation's official language services were fully maintained during the injunction period against investigative proceedings by various regulators—including the Official Languages Commissioner.

Despite the many challenges we faced, the commitment to offering our customers with services in the official language of their

choice, did not waiver, and we continued to invest in those programs which enhance our bilingual capability.

We continued to provide French and English language courses and we continued to reimburse the tuition costs for the language courses of our employees.

That was the only such exception to a company-wide tuition reimbursement freeze that was implemented during our restructuring.

As many of you know, the CCAA process allowed us to cut \$2 billion from our annual operating expenses and the only areas where budgets were maintained were safety, security, and official languages.

Further initiatives launched to enhance our bilingual capability include: the expansion of in-house translation services into a 24-7 operation; the launch of an internal promotional campaign highlighting language training; and the provision of language training incentive premiums offered to flight attendants who took language training on their own time.

[*English*]

These are concrete examples of how Air Canada very intentionally preserved the very tools we needed to ensure that we not only maintain, but also improve, our ability to offer our customers service in the official language of their choice. We have every intention of continuing to do so in going forward.

In that regard, we remain committed to the linguistic action plan that was launched immediately following Air Canada's acquisition of Canadian Airlines. At that time, the federal government put in place two onerous and somewhat contradictory obligations on our company. The first was the obligation to retain or provide job guarantees for all employees from both Air Canada and Canadian Airlines for a period of at least three years. The second was to ensure ongoing integrity of service in both official languages.

These two conditions were contradictory because the government of the day simply refused to recognize the fact that 87% of the employees at the former Canadian Airlines were unilingual anglophones. Despite submissions from Air Canada, the government offered absolutely no support other than a transition period to allow Air Canada to integrate the unilingual Canadian Airlines workforce into Air Canada's bilingual reality. Still, we assumed the responsibility and the subsequent financial pressures, and we believe that we have made measurable progress.

• (0910)

[Translation]

I encourage all members to refer to our website, aircanada.ca, to see for themselves the progress that has been made. We have met the commitments included in our Plan, to: hold regular meetings with the Commissioner's officials to find working solutions to issues as they arise; publicly account for our official languages performance in the Annual Report; identify and work with union officials to find language solutions at our domestic airports; establish formal linguistic objectives and scorecards for each operational Vice-President and customer contact area; and continue to provide language training to customer contact employees, as needed.

I can assure the committee that these examples of progress do not enumerate all of the steps we have taken and are continuing to take to maintain and improve our bilingual capacity.

Having said that, we recognize that major challenges remain. Not all of our employees are yet able to provide fully bilingual service, and there was a clear expression of desire from this committee and the Commissioner to expedite the training so as to have a completely bilingual workforce within approximately six months.

This situation has been further exacerbated by the simple fact that the vast majority of Air Canada's bilingual workforce were the junior-most employees from the old Air Canada, and when layoffs occur in order of seniority, those more junior, bilingual employees are unfortunately the first to go. For that reason, in 2002, we presented the Government of Canada with a financial proposal to achieve the objective of a more fully bilingual workforce. Unfortunately, presumably due to cost, the government chose not to engage our proposal.

[English]

In brief, the cost to bring thousands of senior, unilingual, former Canadian Airlines customer-contact employees up to a level three or a qualifying level of proficiency within six months was estimated to be in the vicinity of \$140 million—largely costs needed to pay for replacement employees for those off work while on language training. Administrative costs, course development, instructor fees, and facility charges added to the cost.

We continue to provide language training on a regular basis, but as any business would, we can only afford to do so within our financial means. Despite the challenging financial situation we have faced over the past three years, Air Canada by any measure has been financially committed to its official languages program. Still, we recognize that this year we received 65 complaints from the Commissioner of Official Languages, not all of which require significant financial sums to address. In fact, we are pleased to report that most of them have already been addressed.

[Translation]

Yes, we can always do better. However, for a company transporting almost 30 million passengers a year—roughly the population of Canada—through dozens of airports, the proportion of complaints to customers served suggest that we are doing a credible job of complying with both the spirit and letter of the Official Languages Act.

The obligations imposed on Air Canada are different and more onerous than those imposed on other federally-regulated institutions. Petro-Canada's privatization legislation, for instance, requires simply that any member of the public can obtain available services from Petro-Canada's head office and any other corporate facilities where Petro-Canada determines there is significant demand. Unlike Air Canada, Petro-Canada is not legislatively required to serve the public bilingually.

[English]

Clearly, the future of effective regulation lies in measurable, broad-based results that are equally applicable to all federally regulated institutions. It is difficult to accept that we are considered a federal institution for the purposes of enforcement and regulation, but not for the purposes of access to financial resources to get this job done.

When the last government launched a special fund to promote official languages within federal institutions, we inquired about funding for the training of our employees but were turned down. Why? Because we were not considered a federal institution when it came to access to funding support.

Given these regulatory imbalances, let me turn now to a few general observations about our priorities going forward and our hopes for a renewed approach language policy in the aviation sector.

Irrespective of any law, Air Canada will always strive to provide our customers with service in the official language of their choice. We do it every day without fanfare and with few complaints. No airline in this country, and probably very few others worldwide, provide service in both official languages as consistently as Air Canada does.

• (0915)

[Translation]

Essentially, Mr. Chairman, Air Canada, the Commissioner of Official Languages and this committee have the same goal: to ensure that customers are served in the official language of their choice. What is lacking are the tools to do the job.

[English]

If Parliament believes that receiving air services in the official language of one's choice is a fundamental value that defines this country, then it needs to start by taking two clear steps.

First, provide the financial resources necessary to do the job. If Air Canada is to serve public policy objectives and be considered a federal institution for the purposes of regulation in this area, we should also be given the same consideration as a federal institution when it comes to access to financial resources necessary to do the job.

Second, enact legislative changes that clearly state that achieving official language goals should take precedence over collective agreements and the Canada Labour Code. If ensuring that official languages are effectively delivered is a priority, Air Canada must have the tools it needs to override such barriers as seniority rights, to ensure that those employees who are bilingual are protected from layoff and have priority over those who are unilingual.

The airline industry in this country has undergone radical change since the Air Canada Public Participation Act was enacted in 1988. If Parliament feels that receiving air services in the official language of one's choice is fundamental to the nation, it no longer makes sense for Air Canada to be the only airline subject to legislative linguistic requirements. With respect, it would be far more equitable for the Government of Canada to pursue its overreaching public policy objectives through broad-based legislation than company-specific rules.

After all, if Parliament feels that the provision of official language services is a fundamental Canadian value, then Parliament must act to ensure that Canadians are capable of receiving those services regardless of the company with which they choose to travel.

[Translation]

With that, Mr. Chairman, my colleagues and I look forward to your questions. Thank you.

[English]

The Chair: Thank you, Mr. Dee.

We'll start with Mr. Lauzon.

[Translation]

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC): Thank you, Mr. Chairman.

I welcome you Mr. Dee as well as your associates.

I see from your report that the number of complaints about Air Canada has decreased over the past three years. There were 247 complaints in 1998, and 65 last year. Is that accurate? What was the nature of these complaints?

Mr. Duncan Dee: In fact, they were complaints that were general in nature. For example, last year, there were nine complaints about flight attendants or in-flight service provided. The call centres received two complaints. The marketing service received nine complaints, and the Aeroplan service, one. Customer Solutions, the service responsible for dealing with customer complaints, was the subject of one complaint, and technical services received four complaints. For the rest, they were complaints dealing with airports. The majority of them, in this case 15, concerned the Toronto airport.

All in all, complaints from the Commissioner were spread throughout the corporation.

[English]

Mr. Guy Lauzon: Thank you.

You mentioned in your presentation that the government should provide a level playing field. That's basically what you were trying to say, I think. Right now you obviously feel it isn't a level playing field. You feel you are at a disadvantage competitively because of having to provide official languages when other air carriers don't—or to the degree that you do. Other airlines say they provide bilingual services because it's good business, and you mentioned that as well.

How much more do you think the regulations you have to live with cost you compared to your competitors? How much of a disadvantage financially do you feel it places Air Canada under?

• (0920)

Mr. Duncan Dee: First of all, we don't consider the provision of official languages to be a disadvantage. The ability to serve our customers in both official languages isn't considered an advantage or a disadvantage.

On having an unequal playing field, for example, Air Canada is forced to place advertisements in newspapers where our marketing needs don't require us to do so. In parts of the country where there are small-circulation newspapers in minority languages, essentially we are forced to place ads in those newspapers when, from a business perspective, we would not be required to do so. Other air carriers are not required to place those types of ads. That's one example of an unequal playing field.

Being able to deliver our services in both official languages we find, as you said, makes good business sense. A full 25% to 30% of our clientele in the country come from the minority language community. We certainly feel it's something we must do. But we have set up a bureaucracy within Air Canada that simply handles official language issues. One of the areas we didn't touch during the CCAA process was official languages, simply because we felt we needed to maintain it.

From our perspective, the budget that is voted to the bureaucracy at Air Canada that handles official languages could easily be diverted to improving customer service in both official languages, as opposed to being just a reporting mechanism. Those are areas where we feel there is a disadvantage. But providing the service in both official languages is something we must do from a business perspective.

Mr. Guy Lauzon: Is it a significant amount of money for the bureaucracy you mentioned?

Mr. Duncan Dee: I don't want to speculate on the exact number, because we've never separated it. It's just the way Air Canada has always been. It would be in the tens of millions of dollars, in terms of our publicity and the additional bureaucracy that gets set up.

This is a bureaucracy. It doesn't deliver any additional advantage to our customers in both official languages.

Mr. Guy Lauzon: On those tens of millions of dollars as a percentage of your overall budget, could you just sort of...?

Mr. Duncan Dee: It wouldn't be a significant number of our overall budget. Air Canada's revenue is between \$8 billion and \$10 billion a year. Our costs are in the vicinity of \$8 billion or \$10 billion a year, so tens of millions is a small number from a total perspective. But when you're talking about scarce resources, if we spent even half a million dollars a year on putting ads in a particular newspaper that we didn't feel we should have to, that's the salary of ten airport employees who could easily be used to enhance our bilingual capacity.

These are things we should consider.

Mr. Guy Lauzon: Can you give us other specific areas where you might want to reallocate budgets? You gave the example of redundant advertising and maybe putting it into operating bilingual services.

Mr. Duncan Dee: We have a sort of specialized group within Air Canada that just handles official languages. That's something that wouldn't be necessary if we were treated just like WestJet, Jetsgo, or CanJet. If it makes good business sense to provide services in both official languages, which we certainly feel it does, there shouldn't be a sort of second layer of requirement for us to provide that service.

From our perspective, the level playing field either means a level playing field with the rest of the industry, or a level playing field in terms of the rest of the federal institutions that are subject to the Official Languages Act. It's one level playing field or another. From our perspective, if Parliament feels we are a federal institution according to the Official Languages Act, then we should be a federal institution for the purposes of Treasury Board subsidy. I read the newspapers here in Ottawa, for example, and see articles about federal public servants who are in language training. That costs money. When you hear about Air Canada employees sent to French language training, that also costs money. It's not free, and ultimately it's the customers who pay for it.

We are not against the application of the Official Languages Act at Air Canada; all we're saying is if you're applying it on Air Canada, then please give us the same tools you've given other institutions to which the Official Languages Act is applied.

I have to stress, provision of service in both official languages makes eminent sense. It's a competitive advantage for a country like ours to be able to provide services in both official languages.

• (0925)

The Chair: Thank you, Mr. Dee.

[Translation]

Thank you, Mr. Lauzon.

Mr. Sauvageau, you have seven minutes.

Mr. Benoît Sauvageau (Repentigny, BQ): Good morning and welcome.

I apologize for starting my remarks this way, but I am very surprised by Mr. Lauzon's comments. I remember the positions of both the Reform Party and the Canadian Alliance. I have just discovered that the position of the Conservative Party is more or less the same as regards the official languages, in this case: How much does it cost? You could ask what it adds, or if the Official Languages Act must be respected. But no, what the Conservatives want to know

about official languages is how much it costs. In my opinion, they have just defined this position rather simply. When it is put forth by a person coming from a minority community, it is even more troubling.

Now that we have learned how much it costs, we could make a comparison. Your budget for lost items and returning luggage must undoubtedly be much higher than your budget for complying with the Official Languages Act, especially if the luggage was supposed to go to Gaspé and it ended up in India. It seems that it is more costly to return lost luggage than to comply with the Official Languages Act. At any rate, that question does not concern them at all.

Having said that, Mr. Dee, on page 6 of your presentation, you state that:

2. Enact legislative changes that clearly state that achieving official languages goals should take precedence over collective agreements and the Canada Labour Code.

The three union representatives who appeared before us stated that in their opinion, the Official Languages Act did take precedence over collective agreements. Is that enough or do you want to see the act amended?

Your first recommendation states:

Provide the financial resources necessary to do the job.

First of all, are you proposing we amend the act to recognize Air Canada as a federal institution?

Secondly, we agree with you, given that recommendation 16 of our report reads as follows:

The Committee recommends that the government provide specific one-time financial assistance to enable Air Canada to accelerate language training.

That was and still is the position of our committee. As surprising as that may seem, the Conservatives voted in favour of that recommendation, if I remember correctly.

We raised questions in the House on Air Canada Entreprises, a new structure you planned to set up. We were afraid that the head office would become an empty shell and that the underlying structures, a bit like for Canada [Editor's note: *inaudible*], would not be subject to the Official Languages Act. Can you reassure us by stating that that is not the case?

In recommendation 5 of our report tabled in 2002, we recommended that Air Canada survey customers periodically on the quality and availability of services in French and English, and that the methodology be approved by the Treasury Board Secretariat.

Has recommendation 5 been applied and, if so, can we obtain copies of the document?

My favourite topic, during the committee study, was the complaint form. Receiving fewer and fewer complaints is a wonderful thing. And I congratulate you on that. But if it is virtually impossible to make a complaint, it is clear that you will eventually end up with no complaints. Do you see what I mean?

We had recommended the adoption of a complaint form, and to that end, I did a cost assessment. So I have a model for you, which includes the return address of the Office of the Commissioner of Official Languages.

According to recommendation 3, each seat pocket should contain a form enabling people to file a complaint. You made a commitment to include the form in the *enRoute* magazine. Now may be I need new glasses, but I have still not seen the form in the magazine. As for the other form, the survey, we had asked you to mention the Official Languages Act. Although I cannot confirm it, it seems to me that that has still not been done.

I would like an answer on that.

• (0930)

Mr. Duncan Dee: Thank you, Mr. Sauvageau.

Seniority is a very important issue. I am well aware that witnesses from the union gave the committee assurances that the Official Languages Act overrides their collective agreement.

I will give you an example. During the restructuring, Air Canada had to dismiss thousands of employees. We were concerned that the number would include a large part of Air Canada's bilingual staff, given the fact that they were younger employees, with less seniority. We tried to negotiate with the unions in order to protect bilingual employees and to dismiss those that were not. We did not manage to do so. We then appealed to Judge Farley, of Ontario Superior Court, but he turned us down, alleging that collective agreements dealt only with employees' seniority and not their ability to service the clientele in both official languages.

As long as there is no decision, amendment or legal provision clearly stipulating that the Official Languages Act overrides others, the debate will continue. Is it employee's seniority or the ability to serve clients in both official languages which takes precedence, this is what has to be clarified. I think it's an important issue.

Now, with respect to the federal institution, we are aware of the committee's recommendation. In fact, at the time we asked Treasury Board for a subsidy. It was not for a large amount, but for company such as Air Canada, which has undergone somewhat significant financial losses, each dollar and every cent even counts. We asked Treasury Board to treat us like a federal institution, as we are treated under the Official Languages Act. We were told that given the fact that we are not a federal institution, we could not have access to federal government subsidies for official languages.

With respect to the third question, I can assure you that from the time we became Ace Aviation Holdings, or Air Canada Entreprises, a month and a half ago, the official language policy has not changed. It has not changed and things will not be changing because of the new structure.

With respect to the following question, it might be a good idea for members of the Committee to come and see Air Canada headquarters in Montreal. The infrastructure cannot easily be moved following any quick decision.

With respect to surveys, I will ask my colleague Louise McEvoy to answer. She will also deal with the issue regarding complaints.

• (0935)

Mrs. Louise McEvoy (Manager, Linguistic Services, Air Canada): With respect to surveys, I would like to say that we postponed the exercise while we were under bankruptcy protection. Since then, we have been in touch with Treasury Board in order to

submit various types of surveys. Given the fact that there is now more technology available, we don't have to do the same type of surveys as ten years ago. With Treasury Board and an independent source, we are trying to design the best possible survey, given our needs.

Finally, we regularly receive comments, including complaints. Complaint forms can be found on board. However, I don't know exactly where.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Air Canada has been subject to the Official Languages Act for 35 years. When this company was privatized, things were quite clear. I am unwilling to accept that people from Air Canada are now coming to tell us that Air Canada is in a sorry state. They knew what they were buying. Experts certainly did an evaluation. You can't buy this type of company and then turn around and complain to the government after the fact, asking not to be subject to the act as others are.

I have an article here that appeared in the June 28, 2004 edition of *Le Soleil*. In it, we see that the Conservatives suggest that all airline companies including WestJet and Jetsgo be subject to the Official Languages Act. That is not the case currently.

I would like an answer to the following question: where does Air Canada's Action Plan 2000 stand today?

With respect to the union, I am having a hard time understanding. I know how companies work more or less, workers, etc. I also know that usually, when something is to a company's advantage, the company is not willing to let it go.

First, do we have an Official Languages Act in Canada? Second, is Air Canada subject to it? I have never heard of unions being entitled to negotiate conditions in violation of the law. If the Ontario Superior Court judge stated otherwise, I don't agree with him. Did Air Canada appeal to the Supreme Court to defend its case?

Between 1988 and 1997, I was a negotiator, and in this capacity, I was never able to negotiate a collective agreement which went beyond the limits of a legislation. Legislation overrides everything. The Commissioner of Official Languages said here, before this committee, that Air Canada was subject to the Official Languages Act and that it was impossible to negotiate a collective agreement which did not respect it. It's an integral part of skills. A person's seniority cannot take precedence over their skills. Moreover, according to the Official Languages Act, one must guarantee service in both languages. In my opinion, Air Canada is not fulfilling his responsibilities and this is an unacceptable excuse.

In 2004, I was flying aboard a Dash 8 between Bathurst and Montreal and between Montreal and Ottawa, I noted that safety instructions were still in English only. This is a safety issue! You received 69 complaints, and you can now consider that you have received 70 of them. It's ridiculous that your company is still not offering this type of service in both languages aboard its planes. As you know, for those seated in the first row of a Dash 8, there is a little device that has something to do with coffee. For safety reasons, you have to raise it. But, instructions to that effect are only in English. In terms of safety, you're subject to the act. Anglophones can read the instructions and learn to apply them, francophones may end up getting it over all their faces, and it doesn't matter.

The only reason why there is a cassette in airplanes, is because some of your flight attendants are unable to read safety instructions. You have a cassette in both official languages, but good God, what is going to happen if there is a problem on board the plane? In which language are you going to play the cassette then? I brought this issue to the attention of the Official Languages Committee and Air Canada, but the situation has not been corrected.

I would like to know how many people have had to move from a Western region to an Atlantic region, for instance, due to the company's restructuring. Changes have been made. Moreover, I can tell you that in the Atlantic region, I have been made aware of complaints to the effect that aboard airplanes between Halifax and Newfoundland, bilingualism was not up to par.

I would like to hear your comments.

• (0940)

Mr. Duncan Dee: Mr. Godin, I know that you have expertise in the labour field. I must say however that during the restructuring of Air Canada we did indeed try to protect bilingual flight attendants and customers' service ground crew.

We tried to negotiate these issues with the union, but they immediately refused to. We presented the motion to the judge, because we believed, as you do, that the Official Languages Act overrides collective agreements, but the judge refused to grant us this right. For this reason, we are asking for the issue to be clarified, so as to allow everyone to know that this issue takes precedence over others. I fully agree with you: we must have this right.

With respect to the number of agents or staff who have moved from Western Canada to the Atlantic region, I don't have figures with me here, but I will answer your question in the coming days. I will ask it of the people at Air Canada Jazz.

With respect to your complaint regarding the flight, you are absolutely correct, it's unacceptable. I agree with you. I will follow up on this issue with Air Canada Jazz people in order to ensure that the problem is dealt with.

Mr. Yvon Godin: I would also like it if you could tell the committee how many unilingual francophones were transferred from Quebec or the Atlantic regions to Western Canada.

Mr. Duncan Dee: I will be able to give you these details in the coming days. We will check.

Mr. Yvon Godin: I would like you to do the same thing for francophones from Ontario.

Mr. Duncan Dee: Are you talking about the crew or the staff?

Mr. Yvon Godin: I am talking about the crew and the staff. I want to know how many unilingual francophones moved to Western Canada.

Mr. Duncan Dee: All right. We will give you these numbers.

Mr. Yvon Godin: If possible, I would like to know how many unilingual francophones, i.e., people who do not speak English at all, working at Air Canada and how many unilingual anglophones do.

The Chair: Thank you, Mr. Godin.

Mr. D'Amours.

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Thank you, Mr. Chairman.

I am very pleased you accepted to appear before us today. We live in an age, where security issues are of extreme importance. In this respect, I find some of your comments deplorable. I will get back to them.

On page 3 of your presentation, you talk about the changes that were made following Air Canada's acquisition of Canadian Airlines. As my colleague, Mr. Godin, mentioned, you were however fully aware of the situation. You knew what the conditions were, and the company accepted. Today, from what I can see, you're saying it's someone else's responsibility. In this specific case you're saying that it is the government's responsibility. You signed agreements and accepted conditions which you are now unable to comply with today. In my opinion, this is unacceptable. I would like some clarification.

You compared Air Canada to Petro-Canada. In my opinion, even if both were crown corporations, the services would be completely different. In your case, we're dealing with transportation, and in that context, safety is crucial. I need only think of a unilingual francophone seated next to the aircraft's exit door. English only warnings mean that he could for instance mistakenly, turn the door handle. What would happen then? It would be a bad thing for the aircraft. Given the type of services you offer, I believe you should be very cautious when it comes to safety issues.

As I have already mentioned, you are subject to an agreement which you accepted. You are saying today that because of restructuring, younger employees, mostly bilingual ones, have been dismissed.

Forgive the expression, but I would like to know if you were asleep at the switch. Why measures were not taken earlier on to ensure bilingualism within the company? You are now saying that it's because of restructuring, younger employees left. What are you saying? Were the younger employees the only ones with the required training to offer French language services to the francophone public?

• (0945)

Mr. Duncan Dee: Thank you for your questions, Mr. D'Amours.

The first question had to do with the conditions at the time of the acquisition of Canadian Airlines International. You have to understand that the conditions were imposed by the government at the time. According to the conditions, we had to respect the Official Languages Act, but at the same time, we had to integrate 100% of Canadian International employees, 87% of which were unilingual anglophones. We did not hire these people, Canadian International did.

You refer to what happened during restructuring. The most senior Air Canada employees were former employees of Canadian International. They were never subject to the Official Languages Act and were quickly integrated, and protected because of their seniority. People who had started their career with Air Canada were bilingual, because hiring policy at Air Canada requires an employee to be bilingual before they can be hired by the company.

With respect to safety, I am perfectly willing to look at specific cases or examples. I am going to do a follow-up with our staff members that are responsible for the type of issue raised by Mr. Godin. As you have mentioned, it's a safety issue, and no compromises can be made on that.

I think those were all your questions.

Mr. Jean-Claude D'Amours: Perhaps you didn't understand the meaning of my comment regarding the integration of Canadian International.

I can understand that you are a responsible company and that people at the time were responsible as well. You knew what the requirements were. You're saying that this or that person is responsible, but you acted advisedly. You were under no obligation, if things were not to your liking at the time.

Mr. Duncan Dee: Mr. D'Amours, at the time, we raised the problem with the federal government. We asked the federal government how it could put us in a situation where we had to comply with the Official Languages Act, and at the same time, integrate a group of employees, 87% of which were unilingual anglophones. We had said that it was impossible. At the time, the government's response was to grant us a transition period to get there.

However, as you will note, here in Ottawa, at the federal government, it's impossible to make bilingual, over a three year period, anglophone adults who never received formal training in French. We tried with all the resources we had, it wasn't easy.

We raised the issue with the minister at the time, and he said the only thing that he was willing to do to help us was to grant us a period of transition.

• (0950)

[English]

The Chair: Merci, Monsieur D'Amours.

We'll go for a second round.

[Translation]

This time, each member will have five minutes. Starting with Mr. Poilievre.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Thank you to our witness.

I would like to start by saying that as conservatives, we believe costs are important. I also want to assure you that we will never accept advice from a party that believes the cost of Canadian flags for veterans is too expensive. Our values are quite different from those of the Bloc Quebecois, and I am quite proud of that.

[English]

I want to say that we will not be accepting advice on costs and values from a party that thought it was too expensive to share the Canadian flag with our veterans.

[Translation]

To start, I would like to deal with the first recommendation you made: "The government must provide the financial resources necessary to do the job." I think my conservative colleague wanted to know what amount or what type of resources you would want to receive. Could you explain to us specifically what you are looking for.

Mr. Duncan Dee: During the acquisition of Canadian International—and it's still the case, because it was quite a large number of employees—we asked the federal government for \$140 million subsidy in order to train a large number of unilingual anglophone employees in the other official language. At the time, we were to train 4,015 unilingual employees of the former Canadian International Airlines. I don't have the exact number today, but there wouldn't be a big difference, because the employees that remained with Air Canada were mostly former Canadian International employees because they had the most seniority.

At the time, Air Canada was asking for a \$140-million subsidy, not only for training, but also to replace former Canadian International employees while they were taking French-language training.

[English]

Mr. Pierre Poilievre: Okay. Now, I understand that in fantasy land \$140 million doesn't matter to some members because costs don't matter. I would reiterate a question that some of the other members in this committee have posed, and I think it's a fair one. This is a mandate that your company accepted and your shareholders accepted when they bought into the company. You're now looking for the taxpayer to pick up the costs for you to fulfill a mandate you had accepted. How do you square that?

Mr. Duncan Dee: On the first issue, I think it's clear to point out—as I pointed out earlier to Monsieur D'Armours—that the notion of protecting the employees of the former Canadian Airlines was imposed by the government of the day. It was a priority among the five so-called principles they felt had to be respected.

On the second issue about our shareholders, one thing we did during the restructuring was ask for a level playing field with the federal government. Again, I'm not saying it should be a level playing field where Air Canada would no longer be subject to the Official Languages Act. I'm not saying that at all. I'm saying it should be a level playing field with other private sector corporations that are currently not subject to the Official Languages Act; or it should be a level playing field in relation to the other institutions that are subject to the Official Languages Act. It's a level playing field in one direction or in the other direction. That's something we think makes sense and is fair.

• (0955)

Mr. Pierre Poilievre: All right. In conclusion, I think you mentioned that some of the regulations imposed on you linguistically caused you to divert resources from front-line bilingual services to things that were not as productive, like advertising and administration. Can you elaborate?

Mr. Duncan Dee: I think I provided some examples earlier where we have certain aspects.... Again, we're not talking about hundreds of millions of dollars, but we're talking about an industry where the margins are extremely small. You're talking about a company that has posted more losses than profits over the years. You're talking about training and integrating employees, but we're saying we should be given the resources, just like other federal institutions have the resources to do so over and above their base budgets.

I think this committee, in its previous incarnation, made that recommendation, which we accepted but the government didn't. I think the committee recognized that fact. There are certain members of this committee who were members in the previous Parliament who recognized that there was a need for that. We're saying the committee was right; give us those tools. There are just certain things we aren't able to do as quickly as we would like.

The Chair: Thank you, Mr. Dee.

Monsieur Godbout.

[Translation]

Mr. Marc Godbout (Ottawa—Orléans, Lib.): I'd like to thank Air Canada representatives for coming to speak to us today. Undoubtedly, this won't be your last appearance before the committee.

Perhaps I'm a bit naive. When I found out people from Air Canada were going to be appearing before the committee, I thought you were going to present a plan to correct a situation that has been unacceptable for several years with respect to the Official Languages Act.

Obviously, I know that airlines are having financial difficulties. I think that it is certainly not due to the Official Languages Act. You were at least honest enough to say that this amount did not represent a large part of the budget of a multinational company such as Air Canada.

On the other hand, it has clearly been established that no one forced you to acquire Canadian International. I remember this epic battle. You were quite pleased to merge with Canadian International. I'm having some difficulty with the fact that you are coming back after the fact to complain about such and such an issue and to ask the

government to deal with things. But these are not the issues I want to discuss with you today.

I see my friend Mr. Godin across the table. Unions don't really like it, but there are many reasons for the restructuring of a company and the creation of subsidiaries. Sometimes, for reasons relating to the union, you can make some changes.

However, when we look at your complaints, we see that the situation gets worse when we look at your subsidiaries. Do you agree with the statement that this is where you should invest most of your energy with respect to the Official Languages Act? According to you, are your subsidiaries subject to the Official Languages Act?

Mr. Duncan Dee: What we said since the beginning of the restructuring, is that there would be no changes with respect to our obligations under the Official Languages Act. On October 1st, the new company structure became a reality, but no changes have taken place since that day with respect to our obligations under the Official Languages Act, and no changes will.

With respect to your first comments, I agree that Air Canada, as is the case for many other federal institutions, was having a great deal of difficulty in reaching an acceptable or perfect level of bilingualism. I fully agree with you on that. Efforts are being made to correct the situation. But it must be said that Air Canada is not the worst offender when it comes to airlines. We have accomplished some things with respect to official languages.

• (1000)

Mr. Marc Godbout: I want to stop you right there. You say you're trying. That's exactly what I wanted to see this morning. I wanted to see a presentation of your Action Plan to correct the situation. Honestly, I see no such thing in your document. So, can you tell me what your three big strategies will be to correct the situation so as not to remain the star candidate at the Office of the Commissioner for Official Languages?

Mr. Duncan Dee: Mr. Godbout, our Action Plan is available in the website. Our three big strategies, are firstly—

Mr. Marc Godbout: You come here to appear before the Standing Committee on Official Languages. I would like to know what you are going to do to correct the situation.

Mr. Duncan Dee: Mr. Godbout, I was told my presentation should last no longer than 10 minutes. So I tried to give you a summary of what we are doing. We have an action plan focussed mainly on training. As far as we are concerned, training is essential.

There are three aspects of Air Canada's budget which were not affected during restructuring. The first is security, the second is safety, and the third is official languages training. It does demonstrate, Mr. Godbout, that we are indeed committed to do better in the field of official languages. But in comparison with other airlines, even you, Mr. Godbout, must agree that we are not the worst offender.

Mr. Marc Godbout: The other airlines are not here today; we're dealing with Air Canada.

The Chair: Thank you, Mr. Godbout.

Mr. Marc Godbout: Can we look at the Action Plan, Mr. Chairman?

The Chair: We may ask for it.

Mr. Benoît Sauvageau: I have a copy of the action plan. It was available over the Internet and was revised in November 2004. I can have it circulated after having made photocopies.

Mr. Duncan Dee: We can provide each member of the committee with a copy, that is no problem. It isn't a secret action plan. You can find it on our website and we have tabled it with the Office of the Commissioner for Official Languages.

The Chair: The clerk will print and distribute the document to members of the committee, Thank you.

Mr. Desrochers, you have the floor.

Mr. Odina Desrochers (Lotbinière—Chutes-de-la-Chaudière, BQ): Mr. Chairman, thank you very much. Without getting into a political fight, I would still like to reply to the comments made by my conservative colleague, since he did bring up a past incident. I would like to remind him that his leader, Mr. Stephen Harper, when seeking out Quebecers' votes, stated last spring that he was in favour of maintaining the status of the official languages.

However, if I rely on what I've been hearing from members sitting on this committee since I became a member of the Standing Committee on Official Languages, either the conservatives do not respect the opinion of their leader, or Mr. Harper was being opportunistic. Time will tell, Mr. Chairman.

The Chair: I would like to ask members of the committee to focus a little bit more on the witness and a little bit less on opposing parties, if you will.

That applies to everyone.

Mr. Odina Desrochers: Mr. Chairman I agree with you. But I would like Air Canada to hear this opinion. We are not here to demolish official languages, we are here to defend them and maintain them. That is why I spoke up, Mr. Chairman.

I'd like to continue, Mr. Dee. You say that 87% of the employees of Canadian International were unilingual. Out of this number, how many accepted to get training and to become bilingual?

Mr. Duncan Dee: Mrs. McEvoy has the details. I apologize.

Mrs. Louise McEvoy: After Canadian Airlines International merged with Air Canada, we stopped differentiating between former Canadian International employees and former Air Canada employees. There are still a large number of employees on language training. I can't tell you who is a former Canadian International employee.

Mr. Odina Desrochers: Mr. Dee seems to have a problem with the 87%. That is why I would like to know what this company is doing to ensure that unilingual employees become bilingual and fall into line with Air Canada policies. I feel that this is important. You say that it is expensive. I seem to remember that the harmonization of the two collective agreements was no easy task, either.

• (1005)

Mr. Duncan Dee: Mr. Desrochers, like you, Air Canada is not here to take apart official languages.

Let us tell you what we are doing to encourage our employees to learn both official languages. First, we provide a full refund to

employees for the cost of any private French courses that they choose to take. This offer was not affected by the restructuring, even if we have abolished all other similar subsidies. Second, we advertise on a weekly or perhaps monthly basis in all airports.

Mrs. Louise McEvoy: We have a year-long campaign.

Mr. Duncan Dee: This is to encourage training in both official languages. The courses are free and the employees are rewarded if they agree to take them.

Mr. Odina Desrochers: Yes, but you still have not told us what efforts have been made by former Canadian International employees. I know that you invest in training.

You say that the judge stated that collective agreements override official languages. How can you, as an employer, maintain bilingual services, when 87% of those who work for Air Canada are unilingual? You must decide whether or not to keep a unilingual person. Your choices are based on the seniority of the crew on international, domestic and regional flights. I would like you to explain how you can respect the official language component in that type of context.

Mr. Duncan Dee: That is a major challenge. We have a great deal of difficulty to maintain that level of service. On numerous occasions, we have decided not to proceed to lay-offs. We could have laid off more staff, because there was less work. However, we decided, in order to maintain our customer service capabilities in both official languages, to keep, whenever possible, a certain number of bilingual flight attendants and ground staff. In fact, we have protected not only those who are covered by law, namely, the more senior employees, but also the more bilingual ones. It's a balancing act that does represent a challenge.

Mr. Odina Desrochers: You mention bilingual service. Does that mean that if there are ten flight attendants, one of them is bilingual and the nine others are unilingual?

Mr. Duncan Dee: No.

Mr. Odina Desrochers: That is often what we see when we take Air Canada's international or domestic flights.

Mr. Duncan Dee: No. For each flight, according to the capacity, there is a minimum number.

Mr. Odina Desrochers: It would be one or two, at most, Mr. Dee. I have seen it. I have even heard about a bilingual flight where the languages were English and Chinese. That was between Calgary and Vancouver.

Mr. Duncan Dee: No...

The Chair: Thank you, Mr. Desrochers and Mr. Dee.

Go ahead, Mr. Godin.

Mr. Yvon Godin: Mr. Dee, earlier, you said that there had to be bilingual newspapers on the aircraft. Is that correct?

Mr. Duncan Dee: No, not on the aircraft.

Mr. Yvon Godin: That would be the advertising, then?

Mr. Duncan Dee: Yes, that's correct. We meant newspaper advertising.

Mr. Yvon Godin: I would like to point out that we have no newspapers, between Bathurst and Montreal.

Mr. Duncan Dee: No.

Mr. Yvon Godin: I simply wanted to see whether or not I was being treated right.

Mr. Duncan Dee: No, I am sorry. Maybe I didn't express myself correctly. That is not what I wanted to say.

Mr. Yvon Godin: I have to agree with you about the training. I sat on this committee when we drafted the 2000 report. We said that the federal government should assume part of the responsibility for training, since it was forcing Air Canada to provide bilingual services. It is part of the act. Moreover, Air Canada was being forced to merge with Canadian International.

At that time, the committee was of the unanimous opinion that the government should help with the training. This is not only the case for federal employees. There are also Canadian companies that provide training. That is part of phase 2 of the employment insurance program. Money is allocated to train workers so that they might keep their jobs.

That was the argument that we put forward, if memory serves. I support that and I think that the government should take a look at this recommendation, because it was serious and it could help the company.

I would like to know if there has been any follow-up to the action plan and the report? Have you examined the action plan, and what progress have you made?

• (1010)

Mr. Duncan Dee: Thank you for your question, Mr. Godin.

The action plan was updated in November, that is, this month. We are once again renewing the action plan to ensure that all of the steps that were promised—and there were many—are either under way or have been completed. Perhaps Louise can give us more details on that.

However, I would like to say that we have lived up to most of the commitments in the action plan. Are we perfect? Far from it. I would be the first one to admit that. However, are we making an effort? I would say that, even if we are not perfect, we are making an effort to respect our commitments and obligations as they relate to the official languages.

I know that you have complaints. You and your colleagues are among Air Canada's most frequent flyers.

Mr. Yvon Godin: We are good customers.

Mr. Duncan Dee: You are good customers, and I am very happy that you fly with Air Canada.

Mr. Yvon Godin: If we were to file a complaint whenever we had a reason to do so, Mr. Dee, I can assure you that you would have more than 69.

Mr. Duncan Dee: I am sure that it's true, Mr. Godin.

Mr. Yvon Godin: Each complaint is usually worth 50.

Mr. Duncan Dee: Each complaint is worth 50, and we are aware of that. We are not thrilled about having received 69 complaints.

Mr. Yvon Godin: However, Mr. Dee, through our Chairman you said that you had only received 69 complaints for 30 million passengers. That is not right. It is because people do not complain.

I will give you an example, Mr. Dee. I think that between Ottawa and Toronto the service should be bilingual. I would simply like to explain how a passenger can feel. Once, I was travelling in business class, not because I had bought a business class ticket, but because I had been upgraded. There was only one flight attendant in that class, who was a unilingual anglophone.

I, of course, can request to be served in French. But I can tell you quite candidly, in plain language, that it makes me sick to have to ask the flight attendant to go and fetch someone to speak to me in French. This is the type of thing that you should pay attention to. This is happening today, this very minute, as we speak.

Mr. Duncan Dee: Mr. Godin, I share your concern. I think it is unacceptable when service is not available in the language of the passenger's choice. That is why we are doing our best to train our staff.

Moreover, I can tell you quite honestly that during the restructuring, we have tried whenever possible to protect our bilingual employees. However, at the time, not only the unions but also the courts told us that seniority came first.

Mr. Yvon Godin: I would like to come back to that point, because it is important.

Why can't you take a look at the way in which flight personnel are assigned, when there are a number of different classes on one aircraft? If there is only one flight attendant in one part of the plane, it is as if there were only one attendant for the whole aircraft.

I don't think it is up to the passenger to express a language preference. He should be served in his own language.

Mr. Duncan Dee: I think it is because we are trying, when one of the three flight attendants is bilingual, and the other two are not...

• (1015)

Mr. Yvon Godin: You have a problem.

Mr. Duncan Dee: We have a big problem in that area. I am in full agreement with you on that.

In an ideal world, all of our employees would be bilingual. That is what we are striving for when we invest in training. That is why we have not reduced that budget by one penny.

I am as disappointed as you are in the fact that we cannot serve all of our customers in both official languages whenever they contact us. That is not right. I honestly feel the same way you do.

However, when there are three flight attendants in business class, and one is bilingual, while the other two are not, perhaps what was decided... I don't know what happened in that specific case, but may be...

Mr. Yvon Godin: You are assuming that they all speak English.

Mr. Duncan Dee: No...

The Chair: Thank you, we will have to interrupt you.

[English]

We are going to the third round.

Mr. Scheer.

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): I have just a short question. Certainly your relationship with the federal government in terms of the Official Languages Act provides you with obligations that other carriers don't have.

Is it fair to say that on the flip side you have also received some benefits from your relationship with the federal government in the amount of financial assistance the government has provided you in the past few years? Although you haven't had specific dollars earmarked for bilingualism or for official languages, in the past financial assistance packages have been provided. Is that a fair statement?

Mr. Duncan Dee: If anything, it would be the opposite. When both Air Canada and Canadian existed, there was always the complaint that the federal government favoured Canadian over Air Canada in terms of subsidies—for example, things like purchasing Airbus aircraft from them at higher than market prices. There are a number of things. Look, we're delving into the past.

In terms of Air Canada receiving a larger than fair share of federal subsidies, there haven't been federal subsidies in a long time, with the exception of the moneys that were given to all carriers after 9/11, and that was done in proportion to the number of flights we operated. So Air Canada, being the largest carrier, got a proportionate share of those funds.

But we haven't received funding from the federal government that would in any way indicate we've received more than we were entitled to. Again, there haven't been federal subsidies to the airline industry in years, with the exception of 9/11.

Mr. Andrew Scheer: Notwithstanding the financial assistance given to all carriers after 9/11, was there not a bailout package specifically for Air Canada when it was facing bankruptcy?

Mr. Duncan Dee: Not at all—not a cent.

Mr. Andrew Scheer: I see.

That's it.

The Chair: Thank you, Mr. Scheer.

[Translation]

We will now move on to Mr. Sauvageau.

Mr. Benoît Sauvageau: Yesterday, I was having a look at the action plan which was updated in November 2004. Allow me first to read not from your action plan, but from recommendation 3 of the committee's report:

The committee recommends that the president of Air Canada include in his action plan measures to better inform his customers of their linguistic rights and of the means available to them for filing a complaint with the Commissioner of Official Languages. To that end, the committee recommends, without limiting the generality of the foregoing, that an official prepaid complaint form addressed to Office of the Commissioner of Official Languages be placed in the seat pocket of all its aircrafts;

In your action plan, you responded to recommendation 3 in the following way:

As part of Joint Parliamentary Committee on Official Languages recommendation, **inform the customers of their linguistic rights and invite feedback.** Most efficient means being assessed.

That was in February 2002, and it is now November 2004. Here is what you have done so far. Your timeline for the third quarter of 2002 included the following: two statements were to be included in the in-flight magazine *enRoute*; I believe that here you are referring to the slogan "The choice is yours... the pleasure to serve you is ours." You stated that on two occasions. The timeline also included the following: Comment cards (on board); Internet (first page); pre-flight announcements.

All of that, however, does not constitute a response to recommendation 3. In order to adequately respond to recommendation 3, which requests that complaint forms be placed in aircraft seat pockets, you would have to do just that. Perhaps it is too costly. With your permission, through the clerk, I am going to distribute the complaint form, in both official languages, which I had proposed. Make sure that you also give one to Ms. Beaulieu, from the Office of the Commissioner of Official Languages. If I am not mistaken, her name is indeed Beaulieu.

I have also prepared an estimate of the costs for 2002. If you wanted 25,000 copies, it would cost \$2,987. If you wanted 400,000, it would cost around \$20,000. However, when it comes to the federal government, it would be unacceptable to only examine a single bid. I therefore got a second bid. The price is roughly the same. Two hundred thousand copies would cost \$11,385, and 400,000 copies would cost around \$20,000.

Given that these figures are not exactly sky high, will you implement the recommendation that was made to you two years ago and place an official prepaid complaint form addressed to the Office of the Commissioner of Official Languages in the seat pocket of all aircrafts? That is my question.

As you can see, it has been well done. Based on my evaluation, a four-color printing process would be required, using some nice 8.5 x 14 paper. The paper is 200 millimetres thick.

● (1020)

Mr. Duncan Dee: It looks like the form that we had printed.

Mr. Benoît Sauvageau: I have it here. It is an old form.

Mr. Duncan Dee: No, it is different.

Mr. Benoît Sauvageau: Is the form that you had printed available? When I travel by plane, something that I do less regularly than Mr. Godin, I always ask the flight attendants for a comment card.

They always think that I want to register a complaint. However, it could well be that someone wants to give positive feedback. They often reply, and I say often, not always, that they do not have any comment cards.

The recommendation clearly states "the seat pocket of all its aircrafts".

I remember that Ms. Perreault-Ieraci told me that this would be too expensive due to the high number that would have to be printed. To that I would say that not everybody will complain. I am sure of it. Perhaps 65% will complain, but you will not use one form per seat per flight. I really do not think so.

How much then will this cost? If you need one form per seat per flight, that would mean that you would get 30 million complaints, that is a real problem. Are you aware of that?

My question is this, two years on, how are you going to ensure that recommendation 3 be respected?

Mr. Duncan Dee: I am glad to hear that the flight attendants said that there were no complaint forms, rather than saying that there were none left.

This is a serious issue, and I think that we have to do better. At the front of our aircraft, we have display racks where we have started putting complaint forms. I am a fairly regular air traveller myself and I agree with you that it happens more often than we would like that these forms are not available.

They are exactly like that. You have a copy of ours.

Mr. Benoît Sauvageau: They are not very expensive.

Mr. Duncan Dee: And they look better.

Mr. Odina Desrochers: Was it an advertising agency that produced them?

Mr. Duncan Dee: Yes. Are they available across the board? You already know the answer. No, they are not.

I am going to see what I can do to ensure that they are placed in every seat pocket. I think that it will be easier to do than Ms. Perreault-Ieraci first thought.

I will give the clerk a progress report in a week's time, two at the most.

Mr. Benoît Sauvageau: To end, and with the permission of the chairman, I would like to give you the telephone numbers for the two submissions that I received.

The Chair: Are you in advertising these days?

Thank you, Mr. Sauvageau.

We will move on to Ms. Boivin.

Ms. Françoise Boivin (Gatineau, Lib.): Good morning, and thank you for being here. I will try to keep my publicity stunts in check.

I believe this to be an important issue. I believe complaints to be a factor in ensuring respect for official languages. However, what interests me more is Air Canada's corporate culture.

Allow me to make a brief, positive remark. I very much like your new advertisement with Céline Dion. I'm surprised that no one has mentioned it. I do not want to hear it again, because I am fed up having her song in my head when I am trying to get to sleep. However, that shows just how effective the advertisement is. The fact that it is bilingual is also appreciated.

That being said, the issue of corporate culture is more far-reaching. You said that, when you acquired Canadian International,

87% of the employees were unilingual English-speakers. That is a factor which is plain. I understand that you do not necessarily keep tally, however, you can surely tell us what percentage unilingual English-speaking employees constitute today, in 2004.

Secondly, did you opt for what could be referred to as administrative redundancies? In other words, did you have to lay off unilingual employees, in particular English-speakers, I would imagine? Like my colleagues across the way, I also have a labour law background. I am a management lawyer, and I have seen all sorts.

Something that I find particularly irksome is the following. I see the second recommendation of the document that you gave us states that you wish to amend current legislation, including the Canada Labour Code, to do away with the concept of seniority. While I agree with Mr. Godin that official languages must take precedence, I am, nonetheless, concerned. Sometimes, this sort of thing can be used as a pretext for getting rid of those employees with the most seniority, especially in an organization that does not have us fully convinced of its determination to respect official languages. That worries me somewhat.

I would like to know whether, nowadays in 2004, you still encounter resistance amongst your employees about becoming bilingual. Even if, as you say, Mr. Dee, you have not had much time, I do not think that it can be that hard to learn how to ask passengers if they want chicken or beef between 1999 and 2004. Even if flight attendants are unable to hold a long conversation, they should at least be able to mouth a few basic sentences.

I have one last question. Did you say that Air Canada's linguistic action plan cannot be implemented without federal government monies?

• (1025)

Mr. Duncan Dee: Thank you for your questions, Ms. Boivin.

I will start by answering the last question. Can we meet the objectives set out in the action plan? Yes, we can, but not as quickly as we would want to. Federal government funding, as your former committee recognized, would simply allow us to reach the requisite level of bilingualism sooner. This is also something that we want, because it is a priority for us to serve our clients in the language of their choice.

You asked how many bilingual staff work for Air Canada following our merger with Canadian International. At the moment, the answer is 40%. That means that 60% of our employees who are dealing with the public are unilingual. You presumed them to be unilingual English-speakers, and I would have to say that you are more or less right on that.

As regards Air Canada's corporate culture, I think that we reflect the reality of our country. In other words, if there is resistance to bilingualism in parts of Canada, it is an attitude that will tend to be reflected in Air Canada too. However, Air Canada's corporate culture is bilingualism-focused. All of our internal publications are produced in both official languages.

Allow me to point out, Ms. Boivin, that *enRoute*, our in-flight magazine, is perhaps the only example of a private publication which is published in both official languages at the same time. In this month's edition, we printed a letter received from a French-speaker in British Columbia. Time is short, so I will not read it to you, but she thanked us for providing British Columbian English-speakers with the opportunity to better understand francophone culture in Canada. She herself was born in Quebec and now lives in Mission, British Columbia.

Regarding Air Canada's corporate culture, are we perfect? As I already said several times, no, we are not perfect, but each day we strive to improve. I think that *enRoute* is a fine example which shows that we have contributed, at least in some small way, to Canada's bilingualism.

The Chair: Thank you, Ms. Boivin.

Go ahead, Mr. Godin.

Mr. Yvon Godin: Mr. Chair, on Air Canada's behalf, Céline Dion is now trying to get Ms. Boivin to take the airplane from Gatineau to Ottawa to come to Parliament.

• (1030)

Ms. Françoise Boivin: Sometimes, it would be faster.

Mr. Yvon Godin: The member said that this was a good thing. I do not think that the employees liked it much, because their salaries have been cut. Some pointed out on Radio-Canada that the money could have been invested elsewhere.

Do you think that more people choose Air Canada as a result of Céline Dion singing in your advertisements? I am not convinced. I do not fly because of Céline Dion, I fly because I have to.

Mr. Duncan Dee: If we were to believe everything we hear on Radio-Canada, support for the NDP would never go beyond 20%. But things are looking better than that, aren't they?

Mr. Yvon Godin: Yes. Perhaps you will now be more inclined to vote for us, particularly in light of the fact that we believe that you should have more government money to promote bilingualism.

Mr. Duncan Dee: I agree entirely, Mr. Godin.

As to the number of people who travel with Air Canada because of Céline Dion, I can only say that Céline Dion is one of the few Canadian artists who enjoys worldwide fame, who is bilingual, and who is capable of singing in both official languages.

Mr. Yvon Godin: When I was in Morocco and Egypt, people were singing her songs and imitating her.

Mr. Duncan Dee: Air Canada has an international clientele. That is why we chose someone such as Ms. Dion to represent us, not only here in Canada but internationally as well. Last month, she received a prize for being the best selling female artist of all time. She is a Quebec-born Canadian, that is very important.

Mr. Yvon Godin: I just want to come back to one point. Air Canada said that it was a smart business decision to choose Céline Dion to feature in their advertisement. Promoting official languages is a good thing, but we have a problem, it is costing too much money.

Let me tell you what I see as being the problem. We have been speaking about official languages for 35 years now. Air Canada has been appearing before the committee since 2002. Yet, when we look at the action plan, it seems that not much progress is being made.

Mr. Duncan Dee: Mr. Godin, I am sorry if that is what you understood from my presentation, because that is not what I was trying to say. I will try to answer some of the questions you raised by saying that we believe that the ability to serve our clientele in the official language of their choosing is not simply another arrow in our quiver, but something which is truly advantageous. Our clientele travels all over the world. The fact that our advertising, in-flight services, films and so forth, are available in both official languages opens up the possibility of having a wider client base than would be the case if we only served our clientele in one language. I want to be clear here: we believe Air Canada's bilingualism to be a major asset.

However, I wish to draw a distinction. After all that we have been through over the past few years, we are facing an obstacle which prevents us from improving our service. Before we bought Canadian International, 65% to 70% of Air Canada's staff who dealt with the public were bilingual. Since the takeover, this rate has slumped to around 40%, for the reasons that I explained earlier. We would like to accelerate the training process, with the help of a recommendation from the committee supporting our request for financial assistance. Is 40% acceptable? No, it is not.

Mr. Yvon Godin: Mr. Chair, I am going to ask my question again. Following our recommendation, you made your request. Perhaps I am simply in the dark, but did you inform the committee that your request was refused? Did you send a letter to the members of the committee saying that your request had been refused?

Mr. Duncan Dee: No. At that time, Ms. Perreault-Ieraci, whom you know, was responsible for official languages. She was dedicated to Air Canada's responsibilities regarding official languages. She met with representatives from Treasury Board.

Mr. Yvon Godin: That was not the question. After having made your request before Treasury Board, did you come and tell us, the members of the committee, what was going on?

Mr. Duncan Dee: No, we did not. However, we were very frank with the Treasury Board representatives. We told them that we were requesting funding because of the recommendation made by the committee. At that time, the Canadian government announced that it would be allocating several million dollars to improve bilingualism within federal institutions.

• (1035)

The Chair: Thank you. We have time for one last five-minute round. I would like to take this opportunity to extend a warm welcome to the interns from the University of Sherbrooke, who must be saying to themselves that the Standing Committee on Official Languages is quite a happening place. Let's move on to our last round. We will start with Mr. Lauzon.

Mr. Guy Lauzon: Thank you, Mr. Chair. I would like to make a couple of remarks. Contrary to what Mr. Sauvageau and the Bloc Québécois members believe, I am very interested in this issue. I do not want that [*Editor's Note: Inaudible*], but I am a francophone and I am very proud of my culture. In the past, I have been in the position of being unable to live in my language, surrounded by my culture. I was born in an English-speaking community and I know what it means to not have the right to pursue one's education in French; to not have the right to speak your own language, and live in a French-speaking culture. That is why I am disappointed in Mr. Sauvageau's comments. He ought to give thinking before speaking a try. I want Air Canada to succeed, because I know what it is like to be unable to live in your own language. That is the reason behind some of the bad experiences that I have had in my life.

Mr. Dee, you said that 4,015 English-speaking employees have been given French lessons over the past few years. You said that 60% of your staff can speak both languages. Are they bilingual?

Mr. Duncan Dee: In fact, 40% of our employees are bilingual, and 60% are unilingual.

Mr. Guy Lauzon: Do you plan on offering further training to your staff? What do you plan on doing after this is over? What percentage are you aiming for? Sixty per cent, 75% or 100%? What is your objective across Canada as a whole?

Mr. Duncan Dee: Air Canada's aim is that all our personnel will be bilingual. That is why, over the past two years, we have stopped recruiting unilingual English-speakers. Furthermore, by means of our voluntary termination of employment program, we have offered those employees with the most seniority the possibility of retiring. This measure will allow us to recruit new personnel who, under our recruitment policy, will be bilingual. We are endeavouring to improve the situation not only by training our existing staff, but also by giving employees from Canadian International, the majority of whom are unilingual, the possibility of retiring.

Air Canada is not striving for 60%, but, rather, 100 per cent. We know that in airports, for example, it gets too complicated when we have to arrange employees' schedules around ensuring that we are able to offer a fully bilingual service. It is impossible to know whether a minority language customer will choose the counter staffed by a minority language speaker. At Air Canada, in today's environment, employees are able to practice what we call alternation. However, it is not a foregone conclusion that the person with whom an employee is alternating will be as bilingual as he is. That is why we have undertaken measures to meet our target of 100%.

•(1040)

The Chair: Thank you, Mr. Lauzon.

Mr. Simard, would you allow me 10 seconds of your five minutes to ask a question?

If I understand correctly, the Official Languages Act is applicable to the new structure in its entirety. Is that what you said? Is the Official Languages Act also applicable to all Air Canada subsidiaries?

Mrs. Louise McEvoy: Yes.

Mr. Duncan Dee: Indeed, Air Canada Jazz, for example, is not subject to the Official Languages Act. As for Air Canada, it was

already subject to the act. As I have said from the beginning, there are no changes in terms of our responsibilities. We have been very clear on that point and, since the first of October, I think we have shown that our commitment to official languages and our responsibilities in that domain have in no way diminished.

The Chair: I simply wanted to know whether all subsidiaries were subject to the Official Languages Act. I do not want to take up too much time or Mr. Simard will take me to task.

Hon. Raymond Simard (Saint Boniface, Lib.): Thank you, Mr. Chair. I have two questions.

Firstly, when Air Canada was privatized, you found yourself with a major airline with a sound national reputation in your hands. Following the merger with Canadian International, you had a virtual monopoly. You still benefit from it today. In my opinion, were you to ask Canadians to name the national airline today, they would still say Air Canada.

I want to understand the contradiction in your presentation. You said that 25% of your annual revenue, which stands at 8 to 10 billion, comes from the francophone community. Is that what you said?

Mr. Duncan Dee: I could not say how much revenue a particular client group represents. However, if we take Canada as being our domestic market, we know that 25 to 30% of this market is French-speaking.

Hon. Raymond Simard: Very well. Let's say that 25 to 30% of your consumer base is French-speaking. That is nothing to sniff at. Yet, Laura Cooke said, and I quote:

[*English*]

"Air Canada wants a 'level playing field' in the industry when it comes to bilingualism".

[*Translation*]

You said more or less the same thing today. In other words, on the one hand, you claim to be disadvantaged because you have to advertise in French-language newspapers, and on the other hand, you say that:

[*English*]

"It's just good business".

[*Translation*]

You say that because 30% of your client base is French-speaking. I would like to know how you reconcile this contradiction.

I have a second question as well. I would like you to clarify a point raised by the chairman. Recently, the Minister of Transport has clearly stated that Air Canada will be expected to comply with its responsibilities, at the same level that it has in the past, and that this expected compliance will extend both to the administration and to Air Canada subsidiaries.

I would like a clear answer: do you agree with this remark?

Mr. Duncan Dee: We have never been in disagreement with the minister on this subject. We never professed to be so. However, Mr. Simard, the expression *level playing field* can mean two things. It can be applied to other airlines, in other words those that are not subject to the Official Languages Act, and it can also be applied to other federal institutions which are subject to official languages...

Hon. Raymond Simard: Excuse me. A distinction has to be drawn here. You enjoyed a virtual monopoly. You are different. You are not WestJet. In other words, you have different responsibilities.

Mr. Duncan Dee: No. If we are talking about the level playing field with the other federal institutions, they receive federal government assistance in order to achieve a level of bilingualism that is acceptable according to the law.

The committee therefore recognized two years ago that certain subsidies should be given to Air Canada, as is the government's practice with other federal institutions. That's what we mean by a level playing field. It means that there is no distinction between us and the companies we compete with or the other institutions that are subject to the act.

You made a comment about the profits made by Air Canada after privatization. I think that if you research the matter, you will see that the Government of Canada did receive money at the time, in other words, the taxpayers received benefits from the privatization of Air Canada.

As for the monopoly or quasi-monopoly, the federal government decided that it wanted to reduce Air Canada's share of the market after the acquisition of Canadian International. There may have been profits but they certainly weren't spectacular.

●(1045)

Hon. Raymond Simard: Thank you.

The Chair: Thank you, Mr. Simard.

Mr. Sauvageau, you have the floor.

Mr. Benoît Sauvageau: First of all, I must say to you, ladies and gentlemen, that your action plan is a good one. I say it in all sincerity, without irony. It is well done.

My questions and those of my colleagues relate to certain oversights of the action plan. In my opinion, generally speaking your intentions are good. An agreement was reached with the Office of the Commissioner of Official Languages. The intentions of the action plan are correct. Taking that into account as well as the timetable and all the rest, it is actually quite good.

However, we are all working to achieve excellence. That is why we are trying to fine-tune your action plan and we are asking questions about the results achieved so far. Recommendation 3, dealing with the complaint form, was of personal interest to me at the time when I was a regular member of this committee. That is why I am coming back to it. Nonetheless, progress has been made. I feel that it is important to make this comment because the situation is not completely negative. There are positive aspects.

I would like to ask one last question. Recommendation 6 of the committee's report of February 2002 reads as follows:

The committee recommends that the president of Air Canada develop as of now follow-up mechanisms in order to carry out periodic reviews of the progress

achieved in the implementation of the Official Languages Act and the objectives set out in the action plan.

Were these mechanisms for the follow-up of the action plan implemented? Let me add that when I talk about follow-up mechanisms, I am not referring to the signature of the memorandum of understanding on the processing of complaints under the Official Languages Act with respect to ground services of Air Canada in airports. That was done in 2001 and is satisfactory. I am talking about current matters, for example concerning complaints or the number of employees or requests from the Official Languages Commissioner or the Treasury Board. Is there a follow-up mechanism?

In addition, the committee requested that Air Canada include this report on official languages in the annual report to its shareholders. Was that done?

I am more interested in the follow-up to your action plan, a plan I consider to be satisfactory. What sort of follow-up has been done?

Mr. Duncan Dee: Mr. Sauvageau, to be frank, we did indeed implement a system for following-up on the action plan. However, while we were under the protection of the Companies' Creditors Arrangement Act, we were not as regular in our updates as we would have liked to have been. Nor have we issued any annual financial report for almost two years now.

But it should be noted that we have already begun the process for the next annual report and an update on official languages is included in this process. We began a drafting of this annual report last Monday. One of the first questions raised related to the section on official languages. So it is clear that there will be an update in the next annual report.

Mr. Benoît Sauvageau: Would it be possible to send this update to the Standing Committee on Official Languages?

Mr. Duncan Dee: Certainly.

Mr. Benoît Sauvageau: I would also like to have your comments on the complaint form. I have been waiting for two years.

Mr. Duncan Dee: As far as the complaint form is concerned, today, after this meeting, I will be returning to the office and raise the matter with my colleagues to find out what we can do to follow up on this recommendation. I will be providing an answer to the clerk within two weeks.

●(1050)

Mr. Benoît Sauvageau: I very much appreciate your response. Thank you.

The Chair: Thank you, Mr. Sauvageau.

That ends today's meeting.

Mr. Dee, to you and to your team, our sincere thanks for coming here today and taking the time to answer our questions.

I also thank the committee members.

I remind you that the next meeting will take place on Tuesday morning at 9:00 a.m. Let me also remind you that since it is the day of President Bush's visit, there will be a great deal of traffic for those coming from far away. It might be a good idea to leave early. Once again, thank you to everyone and until next Tuesday.

The meeting is adjourned.

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