

degree of attention that is given to improving the environmental and other aspects of airport activity should also be given to trying to divert air traffic from overcrowded airports, such as Pearson, to other areas. This legislation is a step in the right direction as far as organizing and mitigating some of the unsatisfactory aspects of airport activity, but there still remains a lot to be done.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Murray, seconded by the Honourable Senator MacDonald, that this bill be read a third time now. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and bill read third time and passed.

## AIRPORT TRANSFER (MISCELLANEOUS MATTERS) BILL

### THIRD READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Grimard, seconded by the Honourable Senator Lavoie-Roux, for the third reading of Bill C-15, An Act to provide for certain matters respecting official languages, employees' pensions and labour relations in connection with the transfer of certain airports.

**Hon. B. Alasdair Senator Graham:** Honourable senators, I want to make a few observations arising out of comments made by the Minister of State for Transport when she appeared before the Standing Senate Committee on Transport and Communications at the time that the committee was considering its final report with respect to Bill C-15. The bill, of course, relates to the transfer of certain airports.

I want to clarify some of the issues which arose during the Minister's testimony. I refer to Transport and Communications issue number 4, page 17, November 27, 1991. In order to put it in the proper context, I have to quote myself:

**Senator Graham:** It scares me that the government is handing over all this authority to the LAAs [the local airport authorities] to negotiate with an airline the landing fees at a particular airport over which they have control. The ramifications of that are immense.

**Mrs. Martin:** Can you give me an example of the ramifications you see?

**Senator Graham:** The ramifications are that airlines could be priced out of the market. The cost in a particular region of the country could sky-rocket, and ordinary people, in the extreme situation, might not be able to travel because the cost would become prohibitive. It is tough enough now to travel. I may be wrong and it may be that the government will retain some regulatory control in this respect to keep a cap on it, or perhaps it will monitor the situation, but you have not said that.

**Mrs. Martin:** . . . this is not unique to Canada. Landing fees are set outside Canada.

Well, the fact of the matter, honourable senators, is that landing fees are not set outside Canada. The ICAO, the International Civil Aviation Authority, states only that if landing fees are introduced, they should reflect and be related to the costs of those services; no more, no less. The Minister is not being properly informed if, to use her words again, landing fees are set outside Canada. It is my understanding that landing fees are essentially within the control of the Government of Canada.

We also had a brief discussion relating to the government's proposed cost recovery program. I refer you again to issue number 4, page 18, of November 27. Again I am quoting myself here to put it in the proper context:

**Senator Graham:** Again, minister, with the greatest of respect, one of the reasons we have governments and regulations is to protect the people. When the people suffer from the market system, if it is out of control, then the country suffers. We have seen examples of that over many years. That frightens me, Madam Minister.

I have heard, Mr. Chairman, of the possibility of landing fees at some airports in regions of the country going up by as much as 25 per cent or 35 per cent. I have also heard that landing fees in other airports will not go up at all, or perhaps only marginally.

**Mrs. Martin:** In what areas of country would they go up 35 per cent and 25 per cent? Who is saying this is what will happen?

**Senator Graham:** Some published reports have identified, for example, Halifax, as one of the areas.

**Mrs. Martin:** Do you know where these reports were published? I would like to get a copy of them . . .

Just as a sample of the kind of copy that Mrs. Martin was asking for: From the "Yarmouth Vanguard, The Voice of South Western Nova Scotia", dated October 23, 1990, the headline is "Transport Canada's user fees endangering future of Air Nova." It quotes the director of marketing for Air Nova, Bruce MacLellan, in a speech in Yarmouth as saying:

[He] warned a disproportionately large percentage of the costs will be borne by regional carriers in the prairies, B.C., and Atlantic Canada, and the flights that will be hurt the most are going to be the short haul flights, like the ones operating between Yarmouth and Halifax.

Again from the Fredericton "Daily Gleaner" of Saturday, October 27, 1990, the headline is, "Airline Ticket Prices May Go Up 27 Per Cent". I quote from the first paragraph:

When combined with the new federal Goods and Services Tax which starts in January, 1991, a proposed increase by Transport Canada of airport service fees paid by airlines could drive up ticket prices by as much as 27 per cent, says the Air Atlantic comptroller Charles Cook.

From the *Globe and Mail* of October 26, 1990, the headline, is "Air Carriers balk at hike in airport fees", and I quote from the story, dateline St. John's, Newfoundland: