

In the remaining minutes I should like to deal with the competition argument. Briefly I made reference to the fact that in such a complex activity as modern transportation, particularly air transportation, the diminution of competition makes a lot of sense if we are to obtain maximum benefit.

The hon. Leader of the Official Opposition has moved a motion which dealt with the area of competition. If he had read the ruling of the commission, he would have realized in most areas that Nordair and Air Canada are not competing at all. In fact, only two routes overlap in terms of air service. Even if competition is a central ingredient in an air transportation policy, one should remember that it is virtually absent from this particular case. On general and particular grounds, certainly the case of the official opposition falls down.

The absurd position of the government of buying today from the private sector and selling back tomorrow does not merit any more than two minutes of consideration.

● (1632)

In conclusion, I want to say we support the recommendation as originally handed down by the Air Transport Committee. I would point out to the House that in making its recommendation it underlined—and I could quote at length in support of this—that Air Canada was not given the right to destroy the subsidiary, it was not given the right to remove competition, and that the functions which are currently permitted Nordair by regulation will have to be maintained or it will have its permits taken away.

The concerns expressed by some people, I think genuinely, about regional services not being lived up to in terms of expectations, or charter services being reduced, are legitimate concerns. There is no doubt about that. But I want to suggest that they are misplaced in respect of this particular ruling, because the ruling makes it clear that Nordair itself cannot become a subsidiary of Air Canada, but that Nordair is expected to carry on with its traditional mandate.

I conclude by saying that the opposition case in this debate is bad, the government's case is worse, and I am proud to speak for my party in support of a recommendation handed down by a regulatory body established by the Government of Canada.

[*Translation*]

**Mr. Eudore Allard (Rimouski):** Mr. Speaker, I have read the motion of the hon. Leader of the Opposition (Mr. Clark) and feel it is timely. Though I do not accept its tenor word for word, I feel it does allow us to draw the attention of Canadians to the lack of leadership in matters of transport policy in this country.

Mr. Speaker, first of all I should like to go back to the month of June 1975, when the then minister of transport and hon. member for Langelier, now a senator, revealed the principles that would guide the government in its transport policy. At that time, three main points emerged from his statement, namely accessibility, profitability and active government pre-

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dominance in the establishment of the transportation system in Canada. Mr. Speaker, I shall quote one of the basic principles found in the statement of the minister:

The transportation system should be accessible, equitable and efficient rather than economic, efficient and adequate.

That meant very simply that the government no longer relied on the mechanisms of competition to guarantee services to the people as a whole. The government intended to make of transportation a political tool of national scope rather than an instrument of passive support for private enterprise.

As usual, in the three years following this statement of intent, little was done except for the establishment of VIA Rail. I have always supported the VIA Rail project because the duplication and in many cases the multiplicity of railway passenger services was contributing to the deterioration of services and the putting of trains to another purpose. Because of the railroad policy of the government, passenger trains nearly suffered the same fate as our merchant marine. As a matter of fact, Mr. Speaker, I shall certainly have the opportunity to come back to the merchant marine in the next few weeks. Today, I shall limit my comments to the issue mentioned in the motion.

Everyone knows, Mr. Speaker, that air transport is vital for this country because of the great distances that separate our various regions. Many times last year I requested improvements to the utterly inadequate air services, especially in the Lower Gaspé area and the Magdalen Islands. Airports in Gaspé and the Magdalen Islands still do not have the facilities required for instrument landing. To come back to the specific case of Nordair which is mentioned in today's motion, this company serves northwest Quebec mostly and also operates chartered flights. Of course, it is a viable company. What I find reprehensible is the fact that the government simply went over the head of Quebec, which is the province most concerned by this takeover. Quebecair played an important role in the improvement of regional transport in Quebec by acquiring several small regional carriers which could provide only incomplete if not mediocre services.

As the former minister of transport stated in 1975, it has become necessary to integrate regional air services so that these services will be available to all centres in a region. The case of Nordair has been outstanding for a few years. Quebecair made an offer to buy it. Unfortunately, it did not have the required financial support; according to Quebecair, the price of shares was higher than their real value. The intentions of Air Canada certainly contributed to increasing the price of Nordair shares, and since Air Canada had the support of the federal government, it was able to take over the company.

Today we learn that Air Canada will give its shares back to the Canadian government which intends to reintegrate Nordair into the private sector later. My God, Mr. Speaker, I am really confused by the inconsistency of this government! Why all this bargaining and fiddling about to end up back on square