

*National Air Policy*

indicates serious thought on the part of the government. It is responding to what it perceived to be an economic drift in the country which required them to move in a conservative direction. Holding to a principle, even if the principle is the government's particular version of a mixed economy, rather than abandoning any claim to a principle, accounts for the government's tumbling month after month in the Gallup poll.

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The present position of the government on this issue demonstrates this reality better than anything else. What is the policy of the government? It has had an ongoing study for two years. It was my impression that the minister's department had finished the study, and that we would have the benefit of looking at it, but it has not been produced.

When the takeover bid by Air Canada in its attempt to buy control of Nordair was before the Canadian Transport Commission, did the Government of Canada make its view known? Did it state its views regarding competition in clear terms? Did it make a case for private versus public sector? Did it have a clear or coherent policy on regional carriers? Did it put any of these matters before the commission? No, the government was silent, because such action would have demonstrated leadership. We know the government has not had leadership for many years.

I should like to refer to the press release of the minister. It consists of one page containing two paragraphs. That is the new air transportation policy on the part of the Government of Canada. What is this policy? It boggles the mind to make any sense of it at all. The first point is that the government will allow Air Canada to purchase Nordair. A lot of people will nod their heads and say that it is a fine idea; others will say it is not. At least that is clear.

The second point of the Liberal policy is: after Air Canada buys Nordair, Air Canada must sell it immediately to the Government of Canada at a negotiated price. Presumably that will cost Canadian taxpayers more money. On the one hand, a Crown agency will buy it, but then the government will force that agency to sell it to the people of Canada via another agency, the Government of Canada, at a higher price.

The third point is: the government announces its intention to sell it back to the private sector within a year. Socialists are supposed to be the dialecticians, but we have been outdone on this one. It begins as a private enterprise; a Crown corporation is permitted to buy it; the government then purchases it from the Crown corporation; and then a year later it will be sold once again. Is that a brilliant policy? The would-be purchasers of this airline have been told a year in advance to sit around and wait. They have been told not to increase their bids, to keep their bids down, to put in the lowest possible bids because at the end of the year the government is committed to selling.

My question is not facetious or rhetorical. Is the government now saying that whatever price it receives at the end of the year from the private sector for this airline will be sufficient to sell Nordair? Surely Canadians have the right to know that. If the government does not receive a reasonable price or offer,

[Mr. Broadbent.]

even in terms of its sense of management, which is bad enough, the government should say that it will not be selling it regardless of the price. But the minister said, "Yes, within a year it is going to go back to the private sector". If the government believes that it should be in the hands of the private sector, the whole thing should have been left alone in the first place, instead of going through the ridiculous process announced in the minister's one-page press release.

In the brief time I have remaining, I should like to state the position of my party on this issue. We do not have any qualms about saying that certain sectors of the Canadian economy ought to be publicly owned.

**Some hon. Members:** Hear, hear!

**Mr. Broadbent:** We do not have any qualms in saying, along with two-thirds of the nations in western Europe, Australia, New Zealand and a good part of Latin America, that the public sector can make not simply contributions which the private sector has failed in, but independently worth-while contributions which are better in many cases than those offered by the private sector.

There are certain human activities which provide good cause for the government to move forward proudly on behalf of its people, rather than timidly and shamefacedly. Frankly we believe a good part of the transportation industry is one of these.

We approach the question of this takeover with a philosophical commitment that in the transportation sector, which requires much capital investment, it makes a lot of sense to have public enterprise.

The hon. Leader of the Opposition did not think it was worth-while to read the evidence before the Canadian Transport Commission. In reaching its decision, the CTC pointed out associated problems. Because I am only allowed 20 minutes to participate in this debate, I cannot go on at length. In fact, books have been written concerning what lies behind the commission's decision on this point. In part the findings and conclusions of the commission were as follows:

I am of the opinion that if the Canadian industry had been subject to the full forces of competition, that we would not have the air industry we have today with the sophisticated equipment and service that is provided to the Canadian public. It has only been as a result of the limitation of competition that the regionals have grown and extended their routes and acquired the pure jet equipment which now serves most areas of Canada.

If we are debating a complex matter seriously, we should pay attention to a commission which is based on expertise in looking at the experiences in other countries as well as our own before reaching a conclusion.

One conclusion in our country, as well as other countries around the world, pertaining to air transportation is that competition in such a capital intensive industry has not been an advantage to the public ultimately, but rather a disadvantage. Basically that is why my party is fully committed to Air Canada as a public enterprise. Through Air Canada, with all the difficulties which arise from time to time, we believe we can obtain the best benefit for Canadians.