

Quebecair in 1980 and the subsequent injection of \$15 million that the Quebec government put into the company after an offer of acquisition by Air Canada had been rejected. The charter carriers also had problems as illustrated by the bankruptcy of Sun Charters.

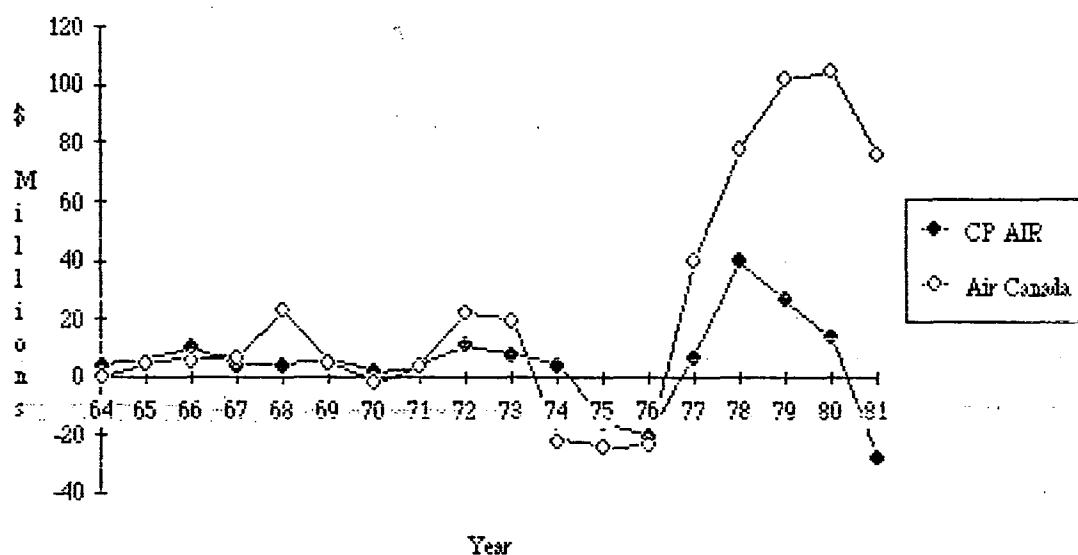


FIGURE 3
Reported Profits for Air Canada and Canadian Pacific Airlines (CP Air)
1964-1981

4 *De Facto to De Jure Deregulation*

The initial moves in the early 1980s by the, then, Conservative government were to further relax controls over the charter operators (especially allowing Wardair greater penetration of the transcontinental market) and to permit scheduled operators greater freedom to match the fares of the charter carriers. In particular, last minute one-third, top-off sales were allowed. It was in effect, however, an effort at fine tuning the existing regime of regulation rather than any major shift in the thrust of policy³⁵.

³⁵ A point made in, House of Commons Standing Committee on Transport, *Domestic Air Carrier Policy*, Ninth Report of the House of Commons Standing Committee on Transport, 1982.