

[English]

As you know this debate period is meant to afford us an opportunity to revisit some of the questions that were previously put in Question Period. What I was really attempting to obtain from the government on February 4 was some indication of its view of air transportation policy and what it will evolve into over the months to come.

Since posing those questions almost two months have passed and a number of things have happened.

Essentially the context is this. Last year, 1991, was probably the worst single year in the history of aviation in a commercial sense in terms of the economic prospects of the companies involved in it. Most of the major international airlines, including the two national airlines in Canada, lost money last year. Air Canada lost \$218 million in 1991, Canadian Airlines International lost \$161.7 million, for a total of almost \$380 million lost by our two airlines last year. This was not unique in the context of international aviation because other airlines were losing money as well.

Delta Airlines, which is possibly the most successful of the companies, certainly it has the lowest cost factor of any of the large airlines. It lost money last year; the first time in its history. We are at a point of very important change in the context of our aviation policy here in Canada.

Meanwhile we have had ongoing discussions with the United States with respect to the bilateral air treaty between us, popularly known as the open skies negotiations. The Canadian negotiator for those negotiations resigned shortly before this question was put in the midst of these negotiations.

Since the questions were put, we have had the announcement by American Airlines and Canadian Airlines International that they are engaged in a discussion concerning an arrangement between them that would see an investment by American Airlines of some \$200 million in equity in Canadian Airlines International. It would involve joint scheduling, arrangements between them with respect to aircraft maintenance and accounting, and a computer reservation system access.

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The full details of the proposed arrangement have not been announced, although we can gather from what has been said that the details could be expected in the very near future.

What I was attempting to elicit from the minister at the time of the question, which I hope the parliamentary secretary may be able to assist us with this afternoon, is whether or not the Government of Canada has any view whatsoever on what the Canadian aviation industry should look like as it continues to evolve. There are a series of things I would hope he can elucidate on to the House and the people of Canada. He is going to have to tell us whether the government has a policy now on two airlines or one airline.

If the government thinks one Canadian carrier is a possibility, is it prepared to signal the facilitation of a merger under the competition law if such a deal could be reached?

The series of questions continues. I gather I have miscalculated my time. I hope that perhaps in the near future the government will facilitate in the committee perhaps a full discussion of what our air transportation policy should be.

The Acting Speaker (Mr. DeBlois): I remind all members that the order of business indicates the time; four minutes for the speaker, and two minutes for the answer.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, Canada has embarked on bilateral air negotiations with the United States in order to provide opportunities for increased air services between our two countries.

We have consulted extensively with the provinces, communities, consumers, businesses, tourism interests, and the airlines. They all want a new air agreement.

We are taking an approach that is designed to ensure the viability of our airlines, that is we are looking at the phasing in of new services with adequate safeguards including a head start in major markets for Canadian carriers.

Negotiations are continuing on schedule. Canada has made it clear to the Americans that our objective is to open up air services in a manner which will serve the interests of our consumers and ensure the viability of our carriers.