

**Senator Murray:** Honourable senators, we think that the effect of the deregulation that has taken place has been demonstrably in the interests of the Canadian consumer, and we stand by that policy.

**Senator Olson:** Does the government also applaud the practices that have been indulged in by both airlines in cutting each other up financially with predatory pricing practices, to the point where both of those companies — which, in my opinion were reasonably or highly successful — are now financially crippled, or at least in severe financial difficulty?

**Senator Murray:** Honourable senators, if that is the case then one would assume that the shareholders of each of those airlines would want to ask some fairly pertinent questions of the management of those airlines.

**Senator Olson:** The Government of Canada is a major shareholder in one of those companies. Has the government asked those questions? Has it received a response? Apart from the fact of its shareholding, does the government not have a policy in place respecting the continuation of a reasonable air service in Canada?

**Senator Murray:** Yes, honourable senators.

#### GOVERNMENT INTERVENTION IN THE MARKETPLACE—GOVERNMENT POLICY

**Hon. John B. Stewart:** Honourable senators, should we conclude from the minister's responses that under no circumstances would the Government of Canada intervene in the market to give support, subsidy or assistance of any kind to either of those airlines? Is that deduction or conclusion consistent with the policy of the government over the last three or four years?

**Hon. Lowell Murray (Leader of the Government):** I think the honourable senator knows better than to expect that this government, a very pragmatic government, would take such a dogmatic or doctrinaire position.

• (1430)

**Senator Frith:** I think you got "pragmatic" and "dogmatic" mixed up.

**Senator Stewart:** Consequently, the minister's first answer did not give us the full picture. In other words, the government, under certain circumstances which have not been specified, would be prepared to retreat from the policy stated by the previous Minister of Transport.

**Senator Murray:** The honourable senator will be aware that as recently as last summer we took certain steps that were within our power to provide some relief to Canadian Airlines, including the purchase of some aircraft that, as it happened, the Department of National Defence needed. We purchased those aircraft from Canadian Airlines International.

Further to that, there was a financial arrangement made to assist Canadian Airlines over a transitional period. That is a matter of public record. I think certain provinces and creditors of that airline also provided assistance at the time and are still doing so.

In placing those facts on the record, I have also to remind honourable senators that for many years, and at the time of the privatization of Air Canada, the government took steps that were manifestly to the advantage of that airline. It cannot be said that what we did last summer, and more recently with regard to Canadian Airlines International, conferred any unfair advantage on that airline.

#### CANADIAN BROADCASTING CORPORATION

##### PROGRESSIVE CONSERVATIVE LEADERSHIP CONVENTION—LIVE COVERAGE OF DEBATES

**Hon. Keith Davey:** Honourable senators, perhaps I misunderstood the leader, but I found myself in the unusual position of agreeing with Senator Simard.

There are those of us on this side of the house who would like to see as much of the Progressive Conservative convention televised as possible. I think it would be in the public interest to see that debate. I am not sure I understood how you responded to Senator Simard, for which I apologize.

**Hon. Lowell Murray (Leader of the Government):** Honourable senators, the question that Senator Simard asked concerned not the leadership convention but the series of five debates that are to be held among the candidates for the leadership. The question was whether the networks will agree to carry those debates live. It appears that they will not.

**Senator Thériault:** They will in English, but not in French.

**Senator Murray:** It is not clear to me that *NewsWorld* will carry all five debates live. Perhaps they will. The situation to which Senator Simard alluded is the fact that there is no French language counterpart to *CBC NewsWorld*, and I undertook to get a report from Mr. Beatty on that matter.

So far as the convention is concerned, I would expect it to be televised live; but, in any case, I want to assure Senator Davey that the usual courtesies will apply and he will be there as an honoured guest.

#### HEALTH AND WELFARE

##### DRUG PRICES IN CANADA

**Hon. L. Norbert Thériault:** Honourable senators, I want to come back to the questions posed by the Leader of the Opposition to the Leader of the Government regarding prices of drugs. I want to remove your mind from the Conservative convention for a moment; something that is much more important to the people of Canada is the price they will have to pay for drugs.