

Government Orders

The reason is, of course, that there is less demand for these flights, and to make a profit, carriers have to raise their rates, as opposed to busier routes like Montreal-Toronto, where a regular ticket will cost around \$400 for about the same distance. The new tax rate is based on the price and does not take traffic or distance into account. The government assumes there is a perfect correlation between price and distance, which is not the case. The price is based on two factors: distance and traffic.

• (1550)

This means that the government is wrong if it thinks that charging less tax on cheap tickets will benefit air transportation to remote areas. This policy will tend to benefit short-haul, high-volume flights like Montreal-Toronto, used constantly by business people, and charter flights.

Remote areas are already facing service cuts due to the present policy of privatizing air services. For the sake of fairness, people in the regions should be offered the same service as people in large urban centres. Regional air traffic control, firefighting services and weather forecasting will be mostly phased out or administered from the large urban centres.

Air services are vital to people in the north, and here I am referring to the Cree and the Inuit for whom air transportation often provide their sole access to basic services such as food, health care and postal services. In many regions, especially in the North, tourism is the only way they can develop their economy and become independent in the future.

With this new tax rate, travel will become even more expensive for foreign tourists, for the French and all the Europeans who come to see the vast expanses of our country, because of the already high cost of a regular ticket, which I mentioned earlier. This cost factor will prevent people in the North from developing their economy.

Here are a few examples of fares for these regions. If you want to go from Montreal to Iqaluit, in the Inuit territory, you may have to pay between \$800 and \$1,100, even more if you want to go to La Grande 2 or Saluit, and this is only one way. The return fare would be \$1,100 to \$1,600. Certainly, all these flights would be subject to the maximum tax of \$50.

You could tell me that given the small number of flights it would not affect very many people. As I said, for Iqaluit there were 4,700 passengers in 1992, the last year for which data are available. By comparison, there were 86,900 passengers for Val-d'Or in 1992. For an area like Waskaganish, where air transport is the only thing available, 11,400 passengers. These people will have to pay increased fares.

I would like to tell the parliamentary secretary that it might have been possible—he said that they favour short distances—to add \$4 or \$5 to the Montreal to Toronto fare, and the Department

of Transport would have collected as much money without penalizing people who depend on air transportation.

I would like to conclude that for people in my riding or any remote riding in Canada, clauses 2, 3 and 4, which may look innocuous, will mean an extra \$10 per trip on the average. If you add this to all the other difficulties in remote areas, it becomes very difficult to control the tools of development. The government is siphoning more and more.

The motion presented by the Bloc Québécois would delete clauses 2, 3 and 4 of Bill C-32, and maintain the status quo instead of hitting remote areas.

Mr. Bernard St-Laurent (Manicouagan): Mr. Speaker, Bill C-32 contains a deliberate glitch involving clauses 2, 3, and 4, dealing with the increase in the air transportation fee schedule for remote areas. Once again, the Liberal government has decided to pick on people who can ill afford to pay, having had the guts to be true pioneers in remote and less populated areas.

• (1555)

This comes after Bill C-17 and the attack on regions with a very high unemployment rate, such as my riding of Manicouagan, after the fishery adjustment program which, although it is very generous, does not take into account regional characteristics, especially regarding sports fishing which attracts a lot of tourists and is vitally important to us. And now, the Liberal government picks on these same people, striking at the key component of this region's economic development, namely air transportation.

However, the objective, which is to lessen the tax burden on short-haul flights to small communities, has not been met. As a matter of fact, deregulation has had a negative impact on air transportation to remote areas. These areas have had to assume the entire cost of transportation, and fares to these destinations have significantly increased over the past few years. As an example, let me give you a few statistics which might help us draw some comparisons. These examples will help us better understand what the problem is with the transportation system on the North Shore.

First, before getting to the statistics, let us review some basic geographical information. Let us talk about the east side of Manicouagan, a riding so huge it seems to me like a whole continent. To give you an idea, it is 46 per cent of the size of Ontario. The coast is 1,200 kilometres long. For comparison's sake, travelling 1,200 kilometres from Ottawa in a north-west direction will get you near Thunder Bay, and in a north-east direction to Sept-Îles. That is awesome. Out of these 1,200 kilometres between Franklin and Blanc-Sablon, which is only a part of my riding, 500 kilometres are connected to the national highway system, hence to the Quebec system, but the other 700 kilometres along the coast are not linked to the Quebec highway