

*Private Members' Business*

Under a policy of deregulation that was sold to this Parliament and to Canadians as one way of increasing competition and making the industry more dynamic and offering a better price to the travelling public, it has gone in the opposite direction. Not only do we have a duopoly that has dictated in the last little while, but we are also now entering into a situation where even the duopoly is in very serious waters, if I may use a wrong word to describe the air side of things. It is a situation where there is increased speculation that perhaps there may be a merger, or if they are to survive we will have to have infusion of foreign capital to make both Air Canada and Canadian viable. If we measure the deregulation policy by competition, it is a large failure.

The government also promised with respect to the competition aspect, to increase jobs for Canadians in this very key and important sector of Canada's economy. Yet in the last two years alone there have been almost 5,000 job losses and layoffs in the air industry.

If we talk about amalgamation of Canadian and Air Canada, whichever way it is cut, we are looking at between 10,000 and 15,000 unavoidable job losses.

Air travel is on the increase and airplanes and airports are here to stay. The government also sold this policy of deregulation by promising cheaper air fares to the travelling public. Yet with the exception of advanced bookings, the cost of airline tickets has increased beyond the rate of inflation in the last number of years.

I fail to see where deregulation, as promised by this government on very specific planks has, in fact, paid the kind of dividends this government was committed to and Canadians were expecting.

Then we talk about open skies, that is to say a free trade regime in the air. The two countries, Canada and the United States, are currently engaged in negotiations on a bilateral trade agreement that have not been revisited for some time. I believe they ought to be.

I am not saying that agreements are made once and never looked at, never modified or never updated. Obviously, there are great advantages for Canadian communities and airports to also revisit that with a view to trying to have more direct links between some Canadian cities and American centres and hubs without

going through major hurdles in different airports, both in our country and in the United States. Obviously that will impact in terms of who comes to your cities, what conventions can be organized and the attractiveness of one's accessibility in one's market. I am not saying we should put our heads in the sand and pretend we should not update or modernize that bilateral air agreement.

• (1510)

What causes great consternation to myself, my party and to a great number of Canadians is this government's inability to indicate that the bottom line for these negotiations is to say no categorically and clearly to that word cabotage.

Cabotage is essentially a fancy way of saying that American air carriers would be allowed to come freely into Canadian cities and airports and touch base along the Canadian route as they see fit.

Right now it is regulated. For example, American carriers do not have the free ability to bring passengers to Toronto, pick them up, drop them off in Montreal, pick up additional passengers in Montreal and go back to the United States. It is a strictly regulated regime.

One of the reasons it has been regulated has been in part to protect the viability of our Canadian airline industry. The economies of scale being what they are and looking at the giant American carriers, if we were to simply have unfettered access between our two countries, it would only be a matter of time before we would not have a Canadian industry as we know it.

Canadians do care about our air industry. I believe that yes, they are worried and interested and concerned about air fare costs and the whole question of safety and the matter of convenience. But they are also concerned about having a Canadian air carrier. Canadians do place some degree of difference on whether the emblem on that airplane tail is a Canadian flag or an American flag.

I happen to believe that Canadians still care enough to have Canadian air carriers transporting them from one place to another. I also believe that Canadians feel the service we have been getting on Canadian carriers is certainly no less than that offered on American carriers, if not better.