

Air Transport

quences, but that is the problem of the Hon. Members opposite.

There is one basic fallacy in debating this motion. The Hon. Member is asking for direct subsidies. I would point out to the Hon. Member that the Department of Transport has had \$800 million reduced from its budget between now and 1990.

Mr. Forrestall: Where is that from?

Mr. Axworthy: From the Budget papers. It is \$150 million per year plus a few extra tag-ons. I would say to the Hon. Member that he had better watch out for those freight subsidies in the Atlantic Provinces because they are on the list of the Deputy Prime Minister (Mr. Nielsen) for examination as well. He had better read those papers because he is going to be in trouble in his area, just like many other Hon. Members, because of the prying and poking of the Deputy Prime Minister.

The fact is, Mr. Speaker, that the budget of the Department of Transport has been substantially reduced. The Government has increased the cost of air travel, and now we have an Hon. Member from the government side asking for direct subsidies. I would say to those Hon. Members that it is not consistent, that there is a contradiction in this respect. I would also say to the Hon. Member that, in addition to putting his reference in front of the committee, I would strongly recommend that he use his place in caucus to make arguments to the Minister of Finance (Mr. Wilson), to the Deputy Prime Minister, who is in charge of the slashing, hacking brigade, and to the Minister of Transport (Mr. Mazankowski). These Ministers have been responsible and are responsible for substantially restricting the ability of the Department of Transport to provide its services. At the same time, they are slowing down the deregulation efforts which would have provided a more competitive atmosphere.

I would like to make one further comment, Mr. Speaker, which I think has to be carefully examined when the matter does go before committee. To what degree can we permit and expand the role of competition in northern travel? When the hearings were held last spring during the time when we were developing our new air policy, there was a natural fear and anxiety on the part of many northern residents that the one source of air travel that they now experience—I will not say “enjoy”—might be lost if there was more competition brought in. I was surprised, however, at reading the transcripts of the CTC hearings—because we had sent the CTC off to do further study—how many representations were made in front of that committee to the effect that there really was a requirement for further competition, that the monopoly situation which is enjoyed by many air carriers in that province was being used as a way of jacking up prices and at the same time providing lousy service. I would, therefore, express some question, really, as to why it is that the Hon. Member's motion, in dealing with the matters of northern transportation and air services in particular, did not raise more effectively the role of competition in that area.

● (1750)

I think one of the focal points of committee examination should be how the CTC can substantially reduce its regulatory control of northern air transport services without at the same time abandoning its responsibility to protect those areas where it is an essential service. I suggest that perhaps a better way of doing it would be to use the test of whether air transport is the sole means of transport for the community. That might be a better test of whether it should be a competitive or non-competitive environment rather than using the geographical demarcation line which is based on airline policy. As I said to an Hon. Member, I would be more than happy to give some testimony to the committee on this matter of the allocation and use of resources.

History is catching up with this Government. It now has one of its own Members having to recommend to the Government that it do something that it had undone about nine months ago. For that I applaud him, his courage, wisdom and judgment. He is recommending what a Liberal Government had already introduced, and it is too bad we had to lose this much time. I hope that when the committee has the opportunity to study this reference more carefully, it might want to broaden the reference because there are many questions not contained in the resolution on how to achieve a more effective form of air service in the North.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, there are three or four comments I would like to make at the outset. I want to join with the former Minister of Transport in congratulating the Hon. Member for Nunatsiak (Mr. Suluk) on bringing forward the resolution in front of us at this time. I also want to acknowledge the fact that the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), in his former role as Minister of Transport, did pursue some of these areas. While we as members of the Opposition at the time agreed that he was headed in the right direction, there was some concern that perhaps he was not going far enough. The Hon. Member will be aware that there is on the Order Paper a motion to refer the report of the CTC on northern transportation, particularly that involving remote areas, to the Standing Committee on Transport together with all the appropriate authority and power to hear witnesses and travel, so that it can bring the matter to a conclusion, we hope, this fall.

The points and observations of the Hon. Member for Nunatsiak have been listened to. His representations have been made to the Minister and to others concerned. I think the Minister of Transport (Mr. Mazankowski) would want me to say that he shares, in this particular area, the concerns not only of the Hon. Member who represents the great eastern Arctic but also the views and concerns expressed by the former Minister of Transport. In that sense I am pleased to make those acknowledgements and to join with both speakers in indicating that there is a sense of urgency with respect to this matter.

I might have wished that the CTC, in its hearings, had gone further. Indeed, as we kept abreast of the hearings and