

National Air Policy

of competition in certain places where it has been possible between the two, and that it would possibly result in an even larger single airline with certain disadvantages such as at times of labour unrest and strikes. Therefore, we made clear yesterday our determination that Nordair would be operated separately, as the Canadian Transport Commission had recommended in its decision.

We do not, however, wish to remain the owners of that airline for long. In view of the number of policy questions which arise in trying to produce a restructuring of airlines in eastern Canada, it did seem appropriate that we play a more direct role in the ownership question itself. The fact of the matter is that in the days when the sale of these shares were first being discussed I began to work on the process of bringing the airlines in question together in an attempt to work toward a combination of actions—a merger or joint action—which could, in accordance with figures which have been analysed, produce a far better return on investment than is possible as long as they are operating separately. That had not succeeded and I had no way of knowing whether it would easily succeed if the purchase were thrown out and the question of ownership of the shares was up in the air and in doubt once more.

It is important to note, I think, that between the time that Air Canada first offered to purchase these shares in Nordair and the time of our final approval of that purchase by our decision last Thursday, the assets of the company had increased in value fairly significantly. It is true that this arose directly as a result of changes in the value of currency but nonetheless that was a significant factor in our decision to move forward with this acquisition and to having the airline in our hands to continue the process which was already far advanced of seeking out investors who might be able to operate these airlines in a joint fashion.

Yesterday I indicated my interest in seeing whether Great Lakes has an interest in this operation and certainly we will again be speaking to other regionals. There are Canadians who are interested in the economic, financial prospects of the airline in its merged form who would not have been interested in the operation of particular parts of it alone.

We will see regionals operating as efficiently as possible and therefore capable of providing as low fares as possible to the people in the eastern part of Canada which they serve. That is fundamental. The efficiency we seek is not efficiency for its own sake, but surely through that efficiency, through a better return on investment, it is possible for the fares to be lowered without the taxpayer having to intervene to pay for the acquisition of further equipment and the continuation of the line. That is the kind of intervention I would like most to avoid. That is what I see continuing to happen.

The Leader of the Opposition speaks of competition as his guideline in this area. And yet at every step of the way it is sensible to balance a reasonable amount of competition with a good deal of co-operation. It is essential that airline schedules mesh and that the regionals come together with mainline schedules so that passenger convenience is best served. It is important to have co-operative analysis of fare structure so

[Mr. Lang.]

that both can live side by side and the sharing of the revenue when there is a link is fair and just. These will continue to be our guidelines in air policy. We will try to find as much avenue for competition as is possible.

● (1612)

We will try to provide service which is as good as possible and fares which are as low as possible. Through charter changes and the introduction of charter services, Air Canada and Canadian Pacific are now offering charter rates, throughout the season, on their regular services. That means they are offering them to Grande Prairie, Saskatoon and Timmins as well as simply to Vancouver and Toronto, which would have been the way if only charter lines had been offering this service. That is what we will continue to see. In other words, we will see strong management operating our airlines, competition where that is possible, co-operation where that is necessary, and a close watch through the Canadian Transport Commission on such activities which, if allowed under the name of competition, would lead to higher cost operation directly at the expense either of the taxpayer or of the travelling public.

Not only do we have in this country a good and solid policy with regard to airlines—one that has stood the test and needs modifications of a gentle, steady nature, not violent or abrupt ones—but we also have in this country service at prices which compare favourably to those anywhere else in the world, for travel both at home and abroad; and we have a quality of service on our main airlines which is second to none in the world and of which we can all be proud.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, we have heard two very interesting speeches indeed, at least interesting to my party. According to the official opposition, their position on the takeover is that it should be private enterprise today, and according to the government, as befits the time and the spirit of August 1, it should be private enterprise tomorrow. There is no difference in principle; the question is entirely one of time. The Tories would do fast now what the Liberals will put off, presumably at a cost to the public, to one year from now.

Normally I address my comments in such a debate first to the government because it is ultimately responsible for policy, but we have known for many months now that the government has abandoned any pretence at determining any policy itself; it takes it directly from the research staff of the Tory party or from the speeches of the Leader of the Opposition (Mr. Clark). So I want to begin with the case of the Leader of the Opposition. I must say that in listening to him I thought of the first prime minister of our country—

Some hon. Members: Hear, hear!

Mr. Broadbent: I am not sure they will applaud when I conclude my observation, Mr. Speaker. I thought of the first prime minister of Canada because in the nineteenth century, to