

*National Air Policy*

I would like to remind the House and the minister of the principal reason for my opposition to the takeover of Air Canada by Nordair. It was this: I did not want to have people in the Windsor area and Canadians generally lose the benefit presently available to them through having both Air Canada and Nordair offer competitive service between Windsor, Hamilton, Ottawa and Montreal.

● (1702)

The leader of the New Democratic Party is quite mistaken in saying in his speech a few moments ago that Air Canada and Nordair do not compete except in a limited way. In fact, they compete in the main population corridor of Canada which is between Windsor and Montreal. Allowing the acquisition of Nordair by Air Canada could not in my view work in the best interests of the travelling public or the public generally.

This competition presently existing between Air Canada and Nordair over the past several years has meant better service for travellers. It has kept Air Canada on its toes. Nordair has broadened the range of scheduled flights between Windsor, Hamilton, Ottawa and Montreal and has offered fares in a number of cases lower than those of Air Canada. I have argued that if the takeover were allowed it would take away these benefits of competition and generally would not be in the best interests of the Canadian public. In my view, any restructuring the minister may have in mind must not mean any lessening of the present level of competitive air service presently available to the people of Windsor and the travelling public in that corridor. I will be following developments in this area closely and I will be opposing any moves which would mean a lessening of service presently offered in the area I have mentioned. I say this even though I commend the government for the effect of yesterday's decision, that of preventing Air Canada from being involved in the operation of Nordair.

Air Canada's president argued during the Canadian Transport Commission hearings that it would be possible for Nordair to operate independently of Air Canada if Air Canada bought control of it. But, at the same time, his evidence at the hearings indicated that this would not really be possible. He said that Air Canada would be appointing the board of directors of Nordair and would be giving directions to Nordair by way of guidelines for its operation. After the Canadian Transport Commission's decision, Air Canada agreed with its pilots to have a merged seniority list for both airlines, once Air Canada took Nordair over, and not the other way around, as the hon. member for Hamilton-Wentworth suggested. I think this further added to the scepticism of myself and many others about Nordair ever being able to operate truly independently of Air Canada if a takeover had taken place, especially in cases where they competed directly along the same routes, as they do between Windsor and Montreal. The government's evolving national and regional transport policies must ensure that to a greater extent than at present the benefits of competition are available to air travellers in Canada, and those travelling to and from our country.

Achieving this through lessening regulation of the industry and allowing more competition, for example between Air Canada, Canadian Pacific and other carriers, would be welcome in my view in so far as it leads to Canadians being able to use a wider range of scheduled services at fares equivalent to those they would pay to fly the same distances in the United States and overseas.

We need to take steps to end situations in which it appears to cost Canadians less to fly on scheduled routes outside of Canada, sometimes even on Canadian carriers, than it does to fly within Canada unless people make reservations and pay fares many weeks in advance on a special charter class basis, that is, assuming such special charter class seats are available, which is not always the case. But at the same time deregulation should not proceed to the extent that it means a withdrawal of scheduled air services from certain communities because of their size or because of their distance from the core of Canadian population making these routes less profitable for air lines and other routes. There must be a balance in our national air policy between measures to maximize rates of return for airlines and the legitimate need for air service throughout our country.

The regulations should not mean simply providing additional competing scheduled service to some areas and its withdrawal from others. Our new policy as it is implemented must have this necessary degree of balance between competition and service. I would like to say, Mr. Speaker, even though I commend the government for its objective in its announcement yesterday—the objective of preventing Nordair from being taken over by Air Canada—that there is need for improvement in the method by which appeals to cabinet from decisions of the Canadian Transport Commission and other regulatory tribunals are carried out. At present there is uncertainty about the exact nature of the process involved and how it works. There is need, therefore, for the cabinet to set out at the very least a minimum set of rules by which it will consider itself bound to make that process more open and to ensure that members of the public involved in such appeals will always get a full and fair hearing.

A federal court judgment now under appeal suggests, I understand, that this is not necessary because of what the cabinet does in considering that an appeal from a decision by the Canadian Transport Commission is essentially political. In my view, however, there is as great a need for guidelines to ensure a fair hearing in appeals to cabinet as in other kinds of government decision making.

I recall not one word of complaint made by the official opposition in past months about the takeover of Pacific Western Airlines by the Alberta government. I hope that there is no double standard here. The Leader of the Opposition (Mr. Clark) suggested today that he and his party accepted the takeover of Pacific Western Airlines because the Alberta government intends to divest itself of it at some future date. But I recall no date being set for this by the Alberta government, not even as an objective to be met, as was done by the Minister of Transport in his Nordair announcement yesterday.