

The CTC's decision in this case demonstrated an utter and utterly lazy incomprehension of Canada's problems at a time when Canada's problems require the most spirited and innovative attention possible. As EPA has appealed the decision to the federal cabinet, we trust that transport minister Jean-Luc Pepin and his colleagues will act upon their born-again commitment to federal reform, and overturn the CTC. Heaven knows the commission has earned some overturning.

Let us face the cruel facts of government. It will take a determined Minister of Transport and real effort by the cabinet to reverse the decision, but I believe the minister will rise to the challenge and support regional enterprise so that EPA will continue to grow and contribute to the economy of Atlantic Canada. In this respect, I am sure the minister has the support of members on both sides of this House.

Why should the decision be reversed? Because it is patently wrong. First, it refers to a non-existent policy whereby regional air carriers cannot go beyond their adjoining regions. Yet Nordair flies direct from Quebec to Winnipeg. Second, the CTC placed three carriers on the Halifax-Montreal route which is rated seventeenth in Canada, but said it would be uneconomical to have more than two carriers on the Halifax-Toronto route which ranks tenth in Canada and is growing. Third, it said EPA could develop local regional traffic. Then the CTC refused special promotional fares. It should not be hard for the minister to reject these reasons for the conclusions of the CTC.

Then there is public opinion. The four Atlantic premiers have urged reversal of the decision. Nearly all members of Parliament in the Atlantic region, members of provincial legislatures and many municipal councils have supported EPA. In fact the only dissenting voice has come from the tourist industry which promotes travel in its own interest, and the Halifax Board of Trade. I found it hard to believe that the Halifax Board of Trade should fail to support such an important regional industry since EPA employs 900 persons in the Atlantic area and spends millions on services and supplies. I asked the membership of the board to respond to a questionnaire to determine whether the membership really did support CP over EPA.

The executive of the Halifax Board of Trade took great exception to my intervention. In fact, one member responded to me and said that I abused the privileges of a member of Parliament. Let me say to that member that I do what I think is right in the interests of all my constituents. However, the response I have received from the Board of Trade and other constituents has been very positive: there is general support in the area for the EPA application to serve the Halifax-Toronto route. But this is not to say that the people have anything against Canadian Pacific. They recognize the contribution CP has made to air transport in Canada and they would like to have the company in the area, but not at the expense of a Halifax industry.

● (2215)

Canadian Pacific has already announced that it proposes to build a \$15 million terminal in Toronto. This is the sort of activity to which we are opposed. We want EPA to be a local

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industry, a growing industry, and this requires the assistance of the Canadian Transport Commission. So we hope the minister will reverse this decision of the Transport Commission and allow EPA to continue its contribution to the economic development of Canada.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on June 6 the hon. member for Halifax West (Mr. Crosby) asked the Minister of Transport (Mr. Pepin) whether the Canadian Transport Commission's decision concerning Toronto-Halifax air services had been appealed and, if so, to what authority.

I would like to confirm that Eastern Provincial Airways has appealed the CTC's decision to the Minister of Transport under section 25 of the National Transportation Act. EPA has asked the minister to rescind, in part, this decision, in order to allow EPA rather than CP Air to provide non-stop Halifax-Toronto service or, alternatively, to vary the decision in order to allow EPA and CP Air equal rights to serve Halifax-Toronto. I would add that CP Air has also appealed the CTC decision to the minister, although its appeal does not concern the Halifax-Toronto route but rather CP Air's authorization to serve Halifax directly from other points on its domestic licence.

The hon. member for Halifax West also asked when any such appeal will be heard and determined, and what considerations will be involved in the appeal process. Appeals to the Minister of Transport are governed by legal rules under the National Transportation Act. Under section 64 of the act, the governor in council may also vary or rescind CTC decisions of his own motion.

This very complicated issue is now under active consideration and will be decided in the very near future.

INDUSTRY—ASSISTANCE TO INCO PLANT

Mr. Rod Murphy (Churchill): Mr. Speaker, on May 12 of this year I brought the issue of the closing of a number of iron ore mines and mills in Canada to the attention of the House. The mills which are closed down include the Steep Rock iron mines in Atikokan, National Steel in Capreol, and Inco in Sudbury.

It was the decision of Inco to close down its mill coupled with the fact that they had 500,000 tons of iron ore in their stockpiles which prompted my question. When I directed my question to the Minister of Industry, Trade and Commerce (Mr. Gray) I was asking, basically, what he was willing to do considering that 35 per cent of the iron ore used in making Canadian steel comes from offshore. The minister replied, in effect, that he would review the situation. I went on to ask the minister whether he was prepared to call in the heads of the various steel companies to consider what could be done to encourage the use of Canadian ore in Canadian industry. In the press the next day the response we saw was, "Gray to Study the Use of U.S. Ore". That was in *The Ottawa Journal*. In *The Citizen* it was, "Gray to Probe Steel Firms Using U.S.