

*Government Orders*

government talked about in terms of providing job security for Air Canada employees?

There are many questions that have been raised and many questions that have gone unanswered. The other question with regard to Terminals 1 and 2 is how the government proceeded by putting the cart before the horse? It accepted a number of untendered bids from private firms to privatize Terminals 1 and 2 and then, months after, responded to those bids in a positive way.

Normally, the way governments operate is not do it piece-meal, one airport at a time. They do it on a comprehensive basis if they believe in it. Second, they set the incentives and the parameters for those policies. They do not generally respond to private firms and private interests, allowing them to dictate the policies of the day. Rather, the government, as a national institution, should speak up on behalf of the entire transport industry and the country.

What about the regional services? Does it mean that the less popular runs will be abandoned in terms of jet service to the regions, as I mentioned earlier?

What about the fact that open skies will now be coming? That is another issue which has to be taken into account when we talk about the greater tendency to privatize and to delete the authority from the central government? What about the open skies concept?

We know that the Minister of Transport and the government is prepared to deregulate the 1974 air agreement that exists at the moment between Canada and the United States. Essentially, this amounts to free trade in the sky. We know what the advent of the free trade agreement has brought, in terms of job losses and plant closings. Although Canadians may favour modifying any existing agreement, I do not see the political green light there, as yet, to suggest a complete deregulation of that agreement.

Can we compete under an open skies concept with the United States of America? Does the government recognize that, in terms of air carriers, the Americans have perhaps a dozen major airlines that could compete and we have only two major airlines? Does the government take into account that American Airlines alone has over 500 aircraft, while Air Canada has 104 and Canadian has 90? Our two major airlines combined do not have even

one-third of the air carriers of just one major American airline company.

Reduced air fares are promised if we open up the skies between the United States and Canada. I recall the government also promising that with the advent of deregulation. It has not happened under deregulation and many people would be skeptical, at the very best, if it were to happen under an open skies arrangement.

The government also promises greater diversification and greater competition, allowing a greater number of Canadian air carriers to be established with the advent of open skies. I believe there will be a greater monopolization—a great centralization, if you will—so that airlines can reduce the operating fat so they can go head-to-head with the American competition. Possibly, rather than diversification, there will be either a merger between Air Canada and Canadian Airlines that will confirm the monopoly state of our airline business or, if this government allows a wide open open skies arrangement, we will probably see our airline industry under American ownership in the very, very, near future. The question is, are Canadians prepared to see that happen? I believe they are not.

What about regional service under an open skies concept? Is it not logical to think that the American air carriers will be more interested in reaching a number of our major centres, rather than the regional centres of our country in the outlying parts of Canada? I do not believe that the bottom line for American Airlines is to be necessarily servicing Goose Bay, Moncton, northern Ontario, northern Canada, or western Canada for that matter, outside of the cities of Vancouver, Edmonton, Calgary, Toronto, Montreal, Halifax.

This country is larger than just those centres, particularly for Canadians who have seen rail travel abandoned in Atlantic Canada. Their jet service has been reduced. Now, with the advent of greater American competition, there is going to be a big question: "Will they have the kind of quality service?" If we do not have quality service on the rails and if those parts of the country do not even have proper highways, and now we are not going to have proper air service, then how do we expect those Canadians to travel? What kind of quality are we talking about in terms of the transport sector? Is it going to mean that it depends where you live in the country? Is that what we are reduced to when we speak of our transportation sector?