

Adjournment Debate

I wonder whether the Minister realizes the tremendous damage caused by the *status quo* to certain carriers and to Canadian consumers.

In my opinion, Mr. Speaker, it is important to point out that the Canadian air industry no longer needs crutches. Federal regulations should be limited so that any new airline can enter whatever market it wishes and established companies can decide what type of plane to use or what market to serve without any federal restrictions. We should allow strong competition for prices and not impose any restriction as to service quality. Such a policy, Mr. Speaker, would enable Quebecair and Wardair to survive if they deserve to do so because of the quality of their services and attractive rates. Passengers of these airlines will determine their future. If not, the rules of the market will apply and the competition will take care of these carriers. Whether such companies prosper or not will be decided not by regulations, but by the people using them.

Mr. Speaker, I hope that these comments will not fall on deaf ears because they should be considered before a final decision is made concerning the future of Wardair.

• (1805)

[English]

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, first of all, I wish to congratulate the Hon. Member for La Prairie (Mr. Deniger) for taking advantage of this period in our Parliamentary process to highlight certain policies in which he believes. I also want to congratulate him as he, in his capacity as Vice-Chairman of the Parliamentary Standing Committee on Transport, had great input in developing Canada's domestic air policy. For this, my thanks to him and his constituents.

As the Hon. Member knows, Wardair has asked for Government approval to become a scheduled domestic and international airline. He will recall that the Minister of Transport (Mr. Pepin) stated in the House on January 19 that he has met with the President of Wardair to discuss Mr. Ward's concerns, and that a response would be forthcoming in due time. Since the matter is still under consideration, I cannot say what the final decision will be.

Some claim that granting Wardair's request to become a scheduled airline would be a good idea because this would help to lower fares. On the other hand, the addition of more wide-bodied aircraft capacity in search of passengers already comparatively well served in terms of price, capacity and frequency, may result in carriers dropping scheduled services in their smaller markets and increasing prices because they have been driven to smaller aircraft with higher unit operating costs.

Wardair is undoubtedly facing difficult financial times. Despite advice to the contrary, from a number of sources, it has added substantially to its fleet of large aircraft, at high interest rates, in anticipation of traffic growth which just did not materialize. All airlines have found that traffic demand has grown much more slowly than expected. In some scheduled

markets traffic has dropped drastically in the past year. To adjust, airlines have mothballed, sold or leased out some of their larger wide-bodied aircraft. They have cut back on their schedules, reduced staff, and have tried to stimulate traffic with attractive promotional fares. Despite all this, Mr. Speaker, major Canadian carriers probably suffered about \$85 million to \$100 million in net losses last year.

• (1810)

In short, it is unclear whether the public interest would be met by allowing Wardair to compete for the high density long-haul domestic and international scheduled markets for which its large aircraft are most suited. The matter is being carefully considered. As soon as the Minister makes a decision, he or I will notify the Hon. Member for Laprairie accordingly.

PENITENTIARIES—CANCELLATION OF UNIVERSITY COURSES.
(B) REQUEST THAT DECISION BE DEFERRED. (C) PROVISION OF
FREE UNIVERSITY TUITION TO INMATES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am rising to pursue a question which I asked of the Solicitor General (Mr. Kaplan) on January 24 last in which I was critical of the apparent decision of the Solicitor General to cancel all post-secondary university education programs in the federal penitentiary system. At the time the Minister indicated that his decision was final and that he was not prepared to entertain any further consideration of the very great advantages of this program.

Since the announcement of the termination of these programs, effective at the end of the contracts in question, there has been widespread criticism of this decision right across the country. I want to emphasize that this criticism has come from all sectors of the correctional community and, indeed, from even beyond that. It is by no means a partisan question. For example, even the leader of the British Columbia Liberal Party, Shirley McLaughlin, has taken the Government and the Solicitor General to task in a telegram sent to the Solicitor General, urging him to have another look at his wrong-headed plan to cut post-secondary programs for federal penitentiary inmates.

The programs in question are offered through four institutions at a number of prisons throughout the country. By far the most successful and popular program, the one affecting the greatest number of prisoners, is the program which is offered through the University of Victoria affecting some 150 prisoners as well as a number of support staff. It is offered at four institutions, Matsqui, Kent, William Head and Mountain Institution.

As well, other programs affected include the program offered by the University of Manitoba, the Stony Mountain institution; the program offered by Queen's University at Collin's Bay Institution; and, finally, the program offered at Laval Institution by Laval University. All of these programs are going to be terminated, effective some time this year, unless the Minister can be persuaded to change his mind.