

*National Air Policy*

Nordair. That decision also goes against the government's own Combines Investigations Act, against the Consumers' Association of Canada, against the governments of Ontario and Quebec, against even a Canadian Transport Commissioner who flatly called the takeover "against the public interest."

This was after the Prime Minister (Mr. Trudeau) went on nation wide television pledging less government intrusion in the private sector. Now, in the face of high and heavy flak from all sides, the government is admitting it was a bad move at the outset. I can see a government becoming involved in this kind of venture if there is a groundswell of public opinion that it should do so, or if the company has a national security problem, or if the government is a buyer of last resort. None of these factors, to my knowledge, determined the Nordair purchase by Air Canada.

I take similar exception to the takeover of Pacific Western Airlines by the government of Alberta, and particularly to PWA's takeover of Transair. In the Alberta government's case, as my leader has pointed out, there is a substantial difference; PWA was financially hard pressed and Transair even more so. Premier Lougheed is committed to reprivatizing PWA and to that extent the Minister of Transport is following in his footsteps.

In the case of Nordair, however, as my leader has already pointed out, there were other buyers in the private sector. I fail to see why the government had to put everyone through this confusion and uncertainty in the airline industry in the first place by authorizing the sale to Air Canada. For the first time in my memory I found myself agreeing with the hon. member for Oshawa-Whitby (Mr. Broadbent). Maybe it was because Air Canada wanted to flex its muscles as a separate Crown corporation, independent of Canadian National Railways. Certainly Air Canada cannot be blamed for seeing a good investment and grabbing it, along with a smart Nordair charter operation and northern expertise in the cargo field which is second to none.

I am well aware, Mr. Speaker, of the traditional restraint that should guide a new member in his maiden address, so I do not want to appear too critical of the government in what I know is a highly complex area. I get the feeling though that the government is running its domestic airline policy on a wing and a prayer; they are taking over the wings, now all they need is the other half.

There are many more questions raised by the minister's announcement that really concern me as a new member interested in the direction Canada's regional and national air policy is to take. While the government is buying time in order to straighten out its policy, what happens to those Nordair flights which are in a head-to-head or wing-tip to wing-tip competition with Air Canada? What will be the actual effect of this so-called competition? Will not direct service to Toronto from western Canada, or from Montreal, necessarily mean a reduction in the number of daily flights and a lessening of efficiency into and out of regional airports like Mount Hope?

What happens to Nordair's pilots, who want their seniority list amalgamated with Air Canada's list? Because Air Canada

pilots fly a higher percentage of higher paying routes, does this mean the government will be paying Nordair pilots the 15 per cent more, as requested by the Canadian Airline Pilots' Association? Will this in turn not result in greater cost to the Canadian taxpayer in the long run?

What is behind the rumour raised by the hon. member for Peel-Dufferin-Simcoe (Mr. Milne) of a fourth runway and a third terminal building at Toronto International Airport, as reportedly recommended by Ministry of Transport planners? The minister is now calling the report "just another inter-departmental feasibility study." The result of that expansion could also have an impact on Nordair's Hamilton service.

If there is to be no expansion at Malton, and since the new Pickering airport has been indefinitely shelved, and since Toronto International will be thoroughly congested handling some 14 million passengers a year by 1980, what kind of spinoff of carriers might result in greater use of the regional airports? Because if Hamilton's civic airport—even with its \$100 million expansion—may be expected to accommodate jumbo charter jets, then thousands of my constituents and I want to know about it.

● (1652)

So you can see, Mr. Speaker, that this government must come up with a sensible transportation policy. In my view it should leave the regional carriers to carry out their roles with government guidelines, not government ownership and control. And the government must decide on the kind of competition it will allow between CP Air and Air Canada on a transcontinental basis.

I am afraid that in view of the way this government has been proceeding lately with its patchwork, haphazard approach to our domestic airlines, some pretty firm policy directives will need to be forthcoming soon if the people are to have any confidence at all in the Department of Transport's air planners.

This whole exercise of the Nordair takeover—by a giant Crown-owned airline or by the Government of Canada itself—goes right to the heart of why I entered political life. More and more, I have become concerned with the extent of government involvement in the lives of Canadians. I do not believe in government takeover simply for the sake of government takeover. I believe that nothing functions like free competition. It was competition that built this country to the second highest standard of living in the world. It is the erosion of competition and government intervention in the marketplace that has contributed to reducing Canada's standard of living to seventh place. This Nordair takeover negates competition, Mr. Speaker, and I feel it is about time that the Government of Canada stopped interfering with the marketplace and with the lives of Canadians and got out of areas where it has no place.

In the area of regional air carriers which is under discussion here today, I want to assure the Minister of Transport again that I am aware of the highly complex nature of Canada's domestic airline policy. I know it takes time to integrate routes—national versus regional versus local services—always