

*Air Canada*

**Mr. Lang:** That has been done.

**Mr. Mazankowski:** The minister indicates he has done that, and I welcome that information because I think this is an excellent move. I think the ball now is clearly in the courts of the airlines of this country, and particularly in the court of Air Canada. The challenge is there for the company and I urge management to use some imagination and progressive marketing in exploiting this potential.

Our national airline must certainly be used as an instrument to promote national unity. I get the feeling from time to time that Air Canada is a bit spoiled. Because in fact it has had a captive market for far too long, it has become over-comfortable in its preferred position. It has a long way to go before reaching the status of a truly great airline. It cannot rest on its laurels and it cannot expect the continued good will of the Canadian public. The airline must improve and demonstrate that it intends to become, and will become, a great airline, fulfilling its mandate effectively and efficiently. It will then get the support it deserves.

This brings me to my fourth and final point, having to do with Air Canada's intended acquisition of Nordair. On the surface the announcement appears to reflect a continuation of the policy of a former chief executive officer of the airline, Mr. Pratte, as well as a former minister of transport. They indicated they felt we would be better off in this country with one airline. As a matter of fact I have a quotation from that former chief executive officer. It is a Canadian Press article under the headline "Travel Would Be Better With One Airline".

I believe competition keeps airlines keen, imaginative, and innovative, and I hope it will continue. The proposed acquisition of Nordair by Air Canada runs counter to stated government policy. I am not pleased with Air Canada's proposed plans to acquire Nordair. Air Canada is a national airline, a trunk airline, and not a regional carrier. Therefore its operations are not necessarily compatible with the operations of a regional carrier. It should concentrate primarily on being a truly great national airline.

Furthermore, I am not convinced that monopolization is the answer even in respect of the airline industry. The position the government has taken with regard to this acquisition is not clear. I am not sure that the minister was even informed of the intended offer to purchase. It is quite obvious that Nordair, one of the more successful regional carriers, was being harassed to death by Air Canada, and finally succumbed and offered to sell.

In this connection I should like to quote from a letter written to me back in February, 1975, by a vice president of Nordair. He stated in conclusion:

Since the regional carrier policy and its application depends to some extent upon the delineation between the role of the mainline carriers including Air Canada and the regional carriers, it is disturbing to think that the country's largest airline has paid so little attention to this problem and is seemingly not interested in what Canada's policy is with regard to the remaining commercial carriers. Needless to say, this is bad news to the regional carriers who have been

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relying on the regional carrier policy as their planning base for growth and expansion.

That clearly outlines the kind of interference and harassment with which the regional carriers have been afflicted.

The government has stated regional air policy, but it really has not fostered the implementation of that policy. Having regard to what has been allowed to happen over the last few years, I think a re-examination of that policy is necessary. Is it the government's intention to rationalize, and what is the future of regional air carriers in this country? Are we to end up with one mainline carrier and one regional carrier? I do not know what the government plans. In view of the kind of rationalization that appears to be taking place, it is certainly incumbent upon the minister to look once again at regional air policy. He should perhaps delineate some guidelines and patterns for growth in order that this important segment of air transportation can continue to grow, flourish, and meet the challenges of the respective regions.

I see that my time is almost expired and we are approaching the hour for private members' business. Let me simply say that we on this side hope the legislative mechanism which is to be approved in the next little while will provide the kind of framework in which Air Canada can do the job it was intended to do, thereby fulfilling its mandate.

At the same time I want to place on record my very deep concern about this airline infringing upon the regional carriers. Before there is a conclusion of this proposed transaction currently in process between Air Canada and Nordair, I hope the minister will give this House and the country the benefit on his thinking regarding the future of regional carriers, as well as the future of third-level carriers, and give some clear outline of national airline policy in this country.

**Mr. Alexander:** And that includes Nordair for Hamilton.

● (1702)

## PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**Mr. Deputy Speaker:** Order, please. It is my duty, pursuant to Standing 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—Request that basic rate of war disability pension be reconsidered; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Public Service—Allegation departments circumventing growth guidelines; the hon. member for Lisgar (Mr. Murta)—Agriculture—Food policy conference—Proposals of government.