

worsened. We can hardly blame the major air carriers, be they regional or national, but if they can vacate a small market and rely only on the larger markets then we will find we have a multiplicity of jerk-water outfits which start out by leasing second-hand aircraft and hiring laid off crews, running a mediocre operation and giving mediocre service to the smaller markets. There has already been a number of instances where this deterioration, this appeal to mediocrity, has taken place.

● (1630)

There is another danger, Mr. Speaker—and I am confident the Minister is aware of it in the back of his mind—when Government panders to this appeal to, “get Government off our backs. There’s too much regulation, too much government and we want a free and open market system”. When we go the route of deregulating the air industry, for example, we can end up in a rut of shortcuts and lack of enforcement of regulations which are in place, whether or not they are adequate, because the industry wants government off its back. We have heard these kinds of speeches from inside and outside Parliament for a number of years.

I want to say, Sir, that as far as we in the New Democratic Party are concerned, there are three kinds of regulations: First, there is safety and airworthiness. There cannot be, must not be, and I am confident with this Minister that there will not be, any compromise and our safety standards will be updated frequently and strengthened. There can be no compromise on safety regulations and airworthiness no matter how tough economically it is for the operator. Second, there is the whole matter of entry and exist and the use of aerodromes and airports which are build at the taxpayers’ expense. There must be a measure of regulation in that area because when we allow entry and exit in and out of cities there should be no remote or isolated area in Canada, no small or middle-sized city in this country, that would not be able to depend on a reasonably permanent basis of civil aviation services. If there is no regulation, there will be so many “inners” and “outers” we won’t know from one year to the next which airline is operating into one’s city. And it has already started, Mr. Speaker. There must be regulation on the whole matter of entry and exit into a route. If an airline, be it small, medium or large, wishes to enter into a route or a pair of cities, it should not be allowed to pick just the good market and leave out the isolated and small and middle-sized communities. It should be prepared and required to take a mix of the market. If it is not prepared to accept some of the bad with the good then obviously there will be worse service for the people in the isolated and small and middle-sized communities because the market is not there so that the airlines can make a big profit. If they want the whole market deregulated, free and open for them to go into, then there surely must be some regulatory obligation placed upon them to provide a reasonable and equitable mix of service no matter where that service is located in the country. Without that, Mr. Speaker, the situation will continue to deteriorate. There will be areas in the northern parts of Canada and in small cities even up to the size of my own city, which will have a deterioration in the quality of service. That has already

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started. Some degree of regulation of the whole matter of entry and exit should be maintained.

The third class of regulation is the matter of fares. As far as we in this Party are concerned, if someone is dumb enough to sell an airline ticket at less than what it costs, that is his problem. It will be to the benefit of the travelling public. I have been amazed to see over the past couple of years the jungle of air fares which is already in place in this country. A fare which applies one day out of one city does not apply in that city two or three months later, but does apply in another city. They might want to do the same thing as the variable rate on grain and say, “If you all go into Calgary, Edmonton, Vancouver, Winnipeg, Toronto and Montreal, we can give you real cheap seats”. How one gets to those places is another matter, Mr. Speaker. Some good friends of mine went on a trip overseas and the only way they could get the cheap overseas air fare was to drive from Saskatoon to Calgary, leave their car with friends there and drive back when they returned. It was that or pay a regular air fare to Winnipeg or Toronto. That is not what one would call equitable service, Mr. Speaker. Therefore, a limited amount of regulation is required in the matter of fares. A fare which is going to apply to one part of a route must apply to every other part of the route. They should not be able to pick out some and leave out others because that discriminates against some people in this country because of where they happen to live. The more we allow this to happen, the more our very limited market in Canada becomes fractionalized.

We are not in a position because of the size of our market to copy what is happening in the United States or Europe where there are high density markets. To apply some or any of their regulatory regime to our situation, I suggest, is a misapplication because we have a northern climate, a massive geography and a widely and thinly scattered population. What might apply in a high density, heavy market route out of New York, Los Angeles, Chicago or, for that matter, Toronto or Vancouver, does not and cannot apply to the rest of Canada. That would be economic nonsense. If we allow the market to be fractionalized under a multiplicity of airlines, what will happen is that they will take turns losing money. As they lose money, one of three things might happen. First, they might go belly up; second, they might go to the Government to get a subsidy, or third, they might merge with a larger airline. It is inevitable because of the size of the market in Canada that we will see the day when we will be back to just three or four viable airlines operating in this country. That is all we can afford. We need three or four dozen airlines like we need a hole in the head. They would not be able to supply a good enough service and will divide the market up so small that the big guys will run the little guys into the ground. Then the big guys will have a monopoly at the places they select because they can go in and out of them when they damn well please. They don’t have to get approval of a fare, all they have to do is file it. It has gotten as bad as the CPR freight rates.

We appreciate the need for this legislation. We support the complete updating and revamping of the whole regulatory