

National Transportation Act, 1986

In the United States, rates have gone up approximately 50 per cent, well over the rate of inflation, over the past seven years. Service has gone down and communities are suffering. In Canada, the City of Sault Ste Marie no longer has Air Canada service, nor does the City of London. What is next? What other communities will see a withdrawal of a major carrier? What other communities will go from jet service to prop service, from service four or five times a day to perhaps once a day or even three times a week? No, it does not make sense.

The Hon. Member who spoke previously talked glowingly of the inclusion in the Bill of provisions for the North. There is a very good reason for that. Unlike southern Canada where there is a very clear difference of opinion between transporters and shippers about what should be done, there is almost unanimity in northern Canada. We saw the joyous situation of Chamber of Commerce after Chamber of Commerce telling Conservative members of the committee that they were out to lunch and did not know anything about the North. They told them that they needed regulation in the North because that is the only way to protect the industry.

What would happen if there were to be total deregulation? Rather than having an air industry and all its infrastructure based in the North, southern airlines would come North, skim off the cream in the summer months and desert the North for the winter months.

I give members of the Transport Committee credit. It took a while but they saw the light. They saw that the same rules could not apply in northern Canada. I argue that the same rules cannot apply in Atlantic Canada or the near-North as apply in the Golden Horseshoe of Toronto. We must throw out blind ideology. We must deal with the real Canada, the Canada that stretches from sea to sea and to the Arctic Circle. We are not dealing with the United States of America with its population of 250 million. We are dealing with a very small population spread over a very large land mass.

In conclusion, it is important to Canada that we chart our own future. It is important that we continue our independence and decide what is right for Canada and Canadians, not what is right in the context of our neighbour to the South.

Mr. Gagnon: Mr. Speaker, members of the NDP have stated a number of times that the smaller cities will be discriminated against and that seat sales applying to Toronto, Vancouver and Calgary will not apply to smaller cities like Moncton, Thunder Bay and Windsor. Could the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) explain the latest series of seat sales to places including Sydney and Yarmouth? Fares from Fredericton to Gander are being reduced from \$412 to \$165; from Saint John's to St. John's, \$396 to \$158; Frobisher Bay to Hall Beach from \$472 to \$189; Churchill, Manitoba, to Gillam, from \$176 to \$88. Possibly the Hon. Member could explain why seat sales are going on and why the NDP maintains the smaller centres will be worse off?

• (1620)

Mr. Angus: Mr. Speaker, I thank the Hon. Member for his question. The major airlines, in testimony before the Standing Committee on Transport, indicated that the day of cheap seats would soon disappear. I want to make it clear that in my comments I did not name any communities. I recognize there are seat sales in a number of communities in Canada right now, but when those communities are served by only one carrier I doubt very much whether there will be any seat sales.

One of the interesting things about this proposal is that instead of cross-subsidization, where the lucrative routes would help pay for the less lucrative routes, this Bill proposes that the Government subsidize those routes. We have the very interesting situation of the Government proposing more bail-outs at a time when cross-subsidization is working well.

Mr. Brightwell: Mr. Speaker, the Hon. Member talked about monopoly of the market-place and compares that to the monopoly of regulation. In the free market a new service would spring up as soon as prices went too high. Under regulation someone cannot enter into a market and take a competitive stance. I am amazed that the Hon. Member drew that comparison. He talked about service as if a regulated industry would guarantee service and there would be no foul-ups at the station when he arrived. I am amazed at that also.

How can the Hon. Member say that regulations would guarantee service when 23 of the isolated communities he talked about have lost their service between 1960 and 1984? Secondly, how can he ask his constituents to pay full rates when 80 per cent of his neighbours to the south travel on discounted fares on U.S. airlines?

Mr. Angus: Mr. Speaker, I will respond to the latter question first and work my way back up. Quite frankly, my constituents believe in stability, not chaos. They see that there is chaos in the U.S. airline industry. While there may be some seat sales around, the over-all cost of air fares in the U.S. has gone up by about 55 per cent since deregulation, well above the inflation rate.

The Hon. Member made an interesting comment about monopoly of regulation versus the competitive market. That gets back to the question of stability. In northern Ontario an entrepreneur works extremely hard over a number of years to develop new services into communities which did not have air service before. What the Hon. Member is saying, and what this Bill will allow, is that after he has done all that work, developed a clientele, established his base of operations, someone else is going to come in at the last minute and skim off his profits. What happens then? The fellow who established the service and has been reasonably decent about prices and is not gouging the people will be unable to compete. He has an infrastructure in those communities and is not based in a large metropolitan area. His investment is at risk. He will pull out. Then the new guy comes in and how long does he stay? That is the kind of chaos that is possible. In fact, we have seen it and that is why we are fighting this Bill.