

OPINION & EDITORIALS



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The CENTRAL NEWSPAPER

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Canada doesn't have a functioning airline market

By all measures, Canada ought to be a country with a thriving airline industry. We boast a modern, wealthy economy heavily dependent on trade and with a long and proud history of aircraft design and manufacture. Flying is the quickest and most efficient way of moving around the country – and yet the skies of Canada have never been very friendly for flyers. The gradual deregulation of the airline industry in the 1980s, culminating with the privatization of Air Canada in 1989, was supposed to set off a boom in competition. That never happened. Instead, by the 1990s, two major airlines dominated the skies: Air Canada and Canadian Airlines. WestJet has since stepped into the shoes of the now-departed Canadian Airlines as Air Canada's smaller, main competitor. But full-throated airline competition remains an elusive dream. Numerous discount-focused carriers – Canada 3000, Royal Airlines, CanJet, Swoop and Lynx among them – have tried and failed to break up Canada's cozy airline partnership. Today, Flair, the current "value priced" competitor, is still struggling to establish itself while upscale Porter Airlines offers limited service. Meanwhile, basic service metrics for Canada's domestic airline industry, including customer satisfaction, frequency of flight delays and overall cost of travel, are among the worst in the world. While strict government control of Canada's air passenger industry was eliminated under Prime Minister Brian Mulroney in the 1980s, several key federal regulations still remain. In particular, foreign airlines are not permitted to operate domestic services between Canadian destinations, what is known as "cabotage". Further, foreign ownership of any Canadian air carrier is capped at 49 percent, and no single non-Canadian investor can own more than 25 per cent of a domestic airline. These foreign-ownership and cabotage restrictions have significant implications. According to a 2025 report by the Competition Bureau of Canada, "Canada's domestic aviation sector is highly concentrated, with two leading carriers." According to the bureau, Air Canada and WestJet together account for up to 78 percent of all domestic airline traffic on key routes. This means, in economic terminology, that Canada's airline industry essentially operates as a duopoly. The bureau's research further shows that prices are lower when there is an additional competitor. A third airline flying a particular route can lower prices by about nine percent. "This shows that competition drives airlines to improve, and passengers benefit," the report states. In 2017, online travel agency Kiwi.com calculated that Canadians paid nearly double the price as Americans for flights of similar distance. Of further concern, in 2022 Air Canada and WestJet took steps to divide the country's air travel market between them, with WestJet retreating to Western Canada and Air Canada focusing more on Eastern Canada. This is a classic duopoly move: two competitors recognize their interdependence and take steps to boost their profits because of it. Beyond affecting pricing and capacity, duopolist behaviour can also degrade quality. In 2022, Air Canada and WestJet were ranked worst in North America for flight delays. In 2023, Air Canada had the worst on-time metrics among all North American airlines. Given the significant impact on travellers from higher prices and lower-quality service, the question arises: who defends such a situation? Proponents of the status quo frequently mention national security as their prime concern – domestic air travel is so important that only airlines based in Canada should be allowed to fly Canadians from place to place.

While national security is important, evidence from other parts of the world suggests greater competition can occur without putting this at risk. The European Union, for example, liberalized its air travel market in 1993. Airlines based in any country in the EU can pick and choose what routes they serve without regards to their home base since they are all allies. Competition need not degrade national security. There is also ample evidence that airline deregulation lowers fares. In the EU, the rise of low-cost carriers has dramatically reduced airline fares and led to vast growth in the number of air passengers. Today, for example, Ireland's budget airline Ryanair will fly you from London to Geneva for about \$49; flying from Calgary to Vancouver, a slightly shorter trip, will cost you roughly four times that amount. How can Canada get what Europe has? The solution is straightforward: lift cabotage restrictions and remove foreign ownership limits. Opening our skies to competition will allow well-capitalized airlines to go head-to-head with Air Canada and WestJet, increasing capacity and putting downward pressure on prices. Some analysts, including the Competition Bureau, favour gradual reform. Others argue for a more dramatic approach. Economist Vincent Geloso from MEI and George Mason University has proposed eliminating Canada's cabotage prohibitions almost entirely in what he calls "shock therapy". Doing so, he argues, would create an onrush of new providers and immediate benefits. "A larger number of providers, a larger number of service points and, most importantly, lower fares," he predicts. The Fraser Institute advocates a similar approach.

By embracing the spirit of competition in air travel, Canadians could soon find that the sky's the limit.

Canada should match Poland's Chinese EV ban at military bases

Critics and some experts are even calling on Ottawa to ban the cars from Canadian Armed Forces bases and other sensitive sites due to onboard sensors they say could collect and transmit sensitive information to the Chinese government. Intelligence and cybersecurity experts are urging the federal government to address national security risks posed by Chinese electric vehicles on Canadian military bases, as concerns mount over potential surveillance threats. Calls for a ban follow similar moves by Poland and Israel, which have restricted Chinese-made EVs such as those from BYD Auto due to fears that onboard sensors could collect and transmit sensitive data to Beijing. Experts like Dennis Molinaro, a counter-intelligence specialist at Ontario Tech University, said Canada should adopt comparable measures. David Shipley, CEO of Beauceron Security, told a House of Commons committee that Chinese EVs could act as "rolling surveillance" platforms. Neil Bisson, director of the Global Intelligence Knowledge Network, warned that features like lidar, radar cameras and smartphone connectivity increase the risk of espionage. However, some experts, including Dan Stanton at University of Ottawa, downplayed the threat as overstated. Experts warn Chinese EVs may collect sensitive data on military bases. Poland and Israel have already banned Chinese-made electric vehicles from sensitive sites. This story matters as Canada weighs economic interests against national security concerns in regulating foreign technology on critical infrastructure. Intelligence and cybersecurity experts are warning the Liberal government about national security risks posed by allowing Chinese electric vehicles onto Canadian military bases. Critics and some experts are even calling on Ottawa to ban the cars from Canadian Armed Forces bases and other sensitive sites due to onboard sensors they say could collect and transmit sensitive information to the Chinese government.

Their warning comes after Poland and Israel instituted similar bans on EVs built by Chinese companies like BYD Auto over the past year — and as Conservative politicians in Canada raise the alarm over the threat of so-called "spy cars." Dennis Molinaro, a counter-intelligence expert at Ontario Tech University and a former national security analyst, said the federal government should follow the example of Poland and Israel. "Absolutely, Canada should be doing the same," David Shipley, CEO of Beauceron Security, said the risks are high enough that Parliament should at least haul military brass and senior bureaucrats in front of a committee to testify about National Defence's plans for managing those risks. "The Chinese sometimes send us a good signal about what the risks are," Shipley said. "They banned Teslas from their major political events and military bases for the same reason Israel is banning their BYDs." Shipley recently told a House of Commons committee that Chinese EVs are "rolling surveillance" platforms and that policy-makers in the nation's capital need to learn why countries such as Poland are taking such precautions. Neil Bisson, director of the Global Intelligence Knowledge Network and a former intelligence officer, notes the vehicles use lidar and radar cameras and plug into the electrical grid — and their drivers connect their smartphones to the cars' entertainment systems. "The more that we open ourselves up to allowing Chinese EVs to come in to Canada, the better chance there is that those threat vectors are going to be capitalized on by the PRC," he said. "From the perspective of the military base, I would say anything you can possibly conceive of being sensitive should be banned. But the problem is even if you're not, let's say, close to a military base, (that) doesn't mean the Chinese EVs aren't picking up on facial recognition." The question comes as the Liberal government slowly opens the taps to bring more Chinese EVs into the country. Prime Minister Mark Carney announced a new quota in January, set at a favourable tariff rate, for affordable Chinese EVs. Ottawa is also looking to secure Chinese investment in a Canadian auto sector under strain from U.S. President Donald Trump's relentless trade war. The issue of Chinese EVs is becoming increasingly politically charged. Molinaro said that while it has not been publicly confirmed that China is using EVs for surveillance, that doesn't reduce the level of concern. Shipley also noted that while Chinese EVs are "extra risky," it would be short-sighted to assume the problem is exclusively tied to Chinese-made vehicles. "The issue isn't Chinese EVs. It's all these internet-connected cars and the risks they pose to our military — and the fact that there is not a single law on the books regulating these things."

Letters To The Editor:

WHAT IS ON YOUR MIND? Send letters to newspaper@ocentral.com

Dear Editor:

I read your column this week. pertaining to downtown councillor Derek Giberson. I have had a business in the core for the longest of time. I am probably one of the oldest business in the core. As such I have seen the good, the bad and the ugly of Oshawa.

As it is. Your column was right on the money. I have yet to see this Giberson come to my place of business. Rick Kerr has been in once. It appears that we the people with interest in the core have been forgotten. I even attempted to call the Mayor's office on different issues. Not one call back. This is not right.

I also call for the resignation of Giberson as the condition of our downtown core is at an all time low. No wonder businesses are emptying out... and the ones that have come up. Have gone just as fast. The problem with our core is parking, traffic and now the homeless and the drug trade. Ever since they allowed pot shops to open every ten feet. Walk in traffic has come to a stand still. I have had many time to clean human feces right from my front door.

Disgusting. This election I will vote for anyone but Giberson.

Lui Chang, Oshawa

Dear Editor:

I read last week newspaper and I can understand the frustration by many when it comes to Oshawa downtown core. I live downtown and see first hand the drug deals. The prostitution. The many people walking around like zombies. Where are our municipal elect. I have called for this Giberson character. Not once has he returned my calls.

I am afraid to walk our streets after 6pm. I see from my window people being harassed by the homeless. It is not safe. My friend that lives in the seniors home across Memorial Park has stopped going outside for her walks. She feels like she is not safe. She fears someone approaching her and knocking her over. She can't afford an injury. So she has decided to stay indoors.

This is our park. This is our City. Why is it that no one is doing anything. We have a new park...why. We don't need a new park. No one will go. I know I won't. Risk the chance of getting pricked by a discarded needle. No thank you.

I remember the fountain at Memorial Park. Families would gather after dinner for walks in the evenings. It was so nice and peaceful. I will not try that now...

A concerned citizens that feels trapped in her own City.

Heather Pailsey, Oshawa

Dear Editor:

I just recently moved to Ajax. It appears that I moved into a municipality that is something out of zombie land. At the town. No one seems to know what anyone else is doing. Across the street from the municipal offices. It looks like some third world country.

People pushing carts and living on the street. I moved from Toronto for the better life... but I see that Toronto is slowly creeping out to Ajax.

I am looking forward to the spring and explore the many trails and parks. I surely hope that they are populated by the homeless as it happening in Toronto.

Oh well, I said my two cents worth.

Christina Hay, Ajax.

Dear Editor:

Yesterday, Bill C-9 passed in the House of Commons.

This is the federal Liberals' latest censorship bill, giving the government broad new powers to punish Canadians for speech subjectively deemed "hateful."

You would think a conservative government in Ontario would be condemning this kind of censorship from the Carney Liberals.

But not a word from Doug Ford — or from any of Ontario's 80 PC MPPs.

Why?

Because the Ontario PC Party is not conservative.

It is an extension of the federal Liberals.

The Ontario PCs won't fight Ottawa because they have the same agenda: run up massive debt, impose wasteful "green" energy programs, promote left-wing ideology in education, fund euthanasia and elective abortion, and punish small businesses with high taxes and red tape.

Together, we will challenge the left, balance the narrative, and change the course!

Annie Nolan

Dear Editor:

My property taxes are \$18,000/year. I live off a pension of \$2,000/mth. How am I to pay for my property taxes. I am about to loose my property. Anyone has any ideas? I need help.

Scott Mclay

The Central Newspaper

What's your story?

Send your letter
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