

National Transportation Act, 1986

things which the Hon. Member has been told. The direction of the government regulations could create much turmoil and could provoke bankruptcies in the trucking industry.

Has the Hon. Member been able to ascertain to what extent the Government has been consulting the provinces? As he knows, there has been a shared responsibility between the provincial authority and the federal Government in the field of trucking. Recently I read a statement by the Minister of Transport in the Province of Quebec who was vehemently opposed to the Government going ahead with deregulation prior to an agreement among provinces and the federal Government in this area.

● (1320)

It seems to me that there have been some consultations between the Ministers of Transport of the federal Government and the provinces, but there certainly has been no agreement. I am surprised that the Government is anxious to speed up this deregulation process prior to any type of appropriate agreement being signed by the provincial authorities and the federal Government. Does the Hon. Member have any views in this regard, or any information that he could give to the House?

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I thank the Member for his very good question because it directly involves the motion we are debating to send this matter back to the Standing Committee. He stated that the Minister of Transport in Quebec has expressed concern about the Government's proposition.

I have a letter dated August 8, 1986 from the Minister of Highways and Transportation in the Province of Manitoba to the Minister of Transport (Mr. Crosbie). He expresses concern about the Memorandum of Understanding on the reform of extra provincial trucking regulations which had been debated between the federal and provincial Ministers in February, 1985. He indicates that a number of points in the memorandum had not been acted upon properly and that this Bill has changed criteria without the provincial Ministers having an opportunity to consider this carefully.

His first point, which is quite lengthy, focuses on the expectation of complete deregulation on January 1, 1991, and the lack of appropriate review prior to this deregulation. He makes a number of points about the dangers that should be carefully considered before any such plan is carried through.

In another point he focuses on the matter of fitness, to which I alluded in the last part of my comments. Again, he indicates the concern of the Province of Manitoba about the federal Government's action to press this matter through.

Therefore, we have very real evidence from a couple of provinces that provincial Governments are not in support of the Government's action. Clearly that is an argument for sending the matter back to the Standing Committee on Transport for much more study, as the amendment proposes.

Mr. Kilgour: Mr. Speaker, I believe the Hon. Member reflects the position of his Party on a number of issues. One of the New Democratic positions on this Bill is that rail tariffs would increase rather than decrease as a result of this legislation. In fact, between 1980 and 1984 average Canadian rail rates rose at double the average U.S. rates.

With respect to the question of cross-subsidization in air, the Member's Party indicated that a policy of hidden subsidies was better than explicit, direct subsidies. They state that the Bill produces more government subsidies rather than the current cross subsidization. The NDP is essentially saying that service to outlying regions should continue to include large planes rather than the smaller planes such as the DASH-8. Does the New Democratic Party support indirect subsidies? We believe that we should ensure that the costs are known and that the best possible service for a particular route is in place, such as in the Maritimes where there are turbo-props that are increasing service to that region.

The Hon. Member talked about trucking. Prior to this proposed legislation there were about 2,000 U.S. carriers operating in Canada. Current legislation has hardly kept U.S. carriers out.

Is the Hon. Member aware that Canadian railways own five railways in the United States and transfer millions of dollars in business to them, and that 1,000 Canadian trucking companies are operating in the United States now?

The Acting Speaker (Mr. Paproski): Order. I will let the Hon. Member comment in regard to the question put by the Parliamentary Secretary. We have already exceeded our time.

Mr. Epp (Thunder Bay—Nipigon): Thank you, Mr. Speaker. With the indulgence of the House, perhaps I could take a couple of minutes and conclude my ten minutes for comment. Perhaps the Hon. Member's comments relate to what others have said, because I did not find them particularly germane to my speech.

I am much more concerned about declining revenues for operators in all the various transportation industries than about the cut-throat competitive regime which is likely to result from the application of Bill C-18 and other proposals of the Government. That declining revenue will have serious consequences for shareholders and frightful consequences for their employees as the companies negotiate viciously with them in an attempt to reduce costs. It will have long-term consequences on the ability of companies to maintain their equipment and buy new equipment. Those are the dangers which I fear.

The Hon. Member commented on local air service, which I did not talk about at all. I suggest that we have been served very well by the existing provisions which focus on public necessity and convenience as a basis for allowing cross-subsidization so that those who operate on lucrative routes have a basis for providing service to other communities where there is much less profitable business. In northern Ontario we