

• (1810)

Do you remember Arrow Airlines, Mr. Speaker? That is the airline whose plane crashed near Gander last year with the loss of the lives of so many of those young servicemen. It turns out that the air crew was not rested, that the plane was overloaded and that the plane was not de-iced. It cost \$1,500 to de-ice a plane, and Arrow Airlines was having financial troubles. I would not like to take a ride on an aircraft owned by an airline which was close to bankruptcy or in financial trouble in this kind of deregulated environment. Look for the report of the Federal Aviation Association, the FAA, in the United States which will report on the crash of Arrow Airlines. Some of those factors will come to light. That is not the Canadian way. We do not believe in operating in airlines in this way. However, it will become that way if the Government proceeds with this kind of deregulation.

I mentioned the matter of competition and the fact that we could have a few airlines working and the rest of the small airlines being forced out of business. That is what is happening in Canada. We in fact have two airlines, Pacific Western Airlines, which just took over Canadian Pacific, and its host of companies, and Air Canada, which takes 90 per cent of the passenger load. So we have a concentration of power.

I will quote from *Business Week* on November 22, 1986, with respect to its cover story "Is Deregulation Working?" It talks about People Express which started out with lots of good fares and so on, but is now in fact laying off people, selling the airline and so on:

It wasn't supposed to turn out quite this way. The great wave of deregulation during the late 1970s and early 1980s was predicated on the belief that replacement of the dead hand of regulation with the invisible hand of the free market would spur competition—

However, the article goes on to say that it has not spurred on competition:

The market share of the top half-dozen or so companies, which dominate these markets, is growing. "No one realized how rapidly the industries would concentrate," says Washington lawyer Mark Leddy, a former Justice Dept. antitrust official.

"People are reeling from it."

Let us take my home Province of British Columbia. There is really only one airline flying into Prince George and points north because CP Air has been taken over by Pacific Western and Time Air is part of that group. What will happen is we will have less and less competition and that will mean the freeze-out of small cities which will go from jet service to prop service, to a lesser degree of prop service, to perhaps no service at all. That is a real problem for Canada because we do have such vibrant small communities and that is how we exist.

We will have the problem with our railways as well with lack of competition, concentration, and other groups coming in. We will have the problem of the American railways coming in and seizing goods from eastern Canada and transporting

them to Seattle. What will happen to the Port of Vancouver if that happens?

This rosy picture of deregulation is not all it is cracked up to be. Since similar legislation was brought into the United States, 150,000 jobs were lost in the railway sector. People said: "Well, that is good. Maybe jobs need to be lost", but where are these jobs going to be picked up? They tend to be high paying, skilled and semi-skilled jobs which will be replaced with low-paying service sector jobs. That is not the way to have a dynamic economy. There is also great pressure on the workers in the United States to accept poor working conditions. Wages, benefits and safety conditions have all suffered as a result of the single-minded determination of companies to keep costs down at any price. Vancouverites in my home town will likely be forced to pay higher fares, suffer reduced services and face questionable safety when they travel to remote regions of British Columbia. This legislation makes it easy for transportation companies to abandon the less profitable remote areas.

I am energy critic for my Party and I want to make a Canadian comparison because it is an interesting comparison on deregulation. On November 1 of last year the Government deregulated natural gas. Previous to that the price of gas was regulated in Alberta. The commodity price and the transportation prices were regulated by, among others, the National Energy Board. We went to a system in natural gas where we let the market do it. What happened? The big guys benefited. We found the big energy users in eastern Canada could get contracts at \$2 a thousand cubic feet for gas, whereas the consumers had to pay \$3 a thousand cubic feet. It was not the little guy who benefited, it was the big companies. The Americans benefited. They got our gas at \$1.75 a thousand cubic feet. That is an example of monopoly for the little guy, competition for the big guy.

I can summarize by saying that I find this Bill to be anti-competitive, anti-safety and anti-service, following the Americans at any cost without learning what the Americans have suffered as a result of their so-called deregulation.

[Translation]

Mr. Deputy Speaker: It being 6.17 p.m., I do now leave the chair until eight o'clock, when the House will proceed with debate on an interim agreement with the Government of France concerning additional fishing rights for the French fleet off the coast of Newfoundland.

At 18.18 p.m. the House took recess.

[English]

AFTER RECESS

The House resumed at 8 p.m.