case, I believe that Canadians will be better served in future if, as the policy in Bill C-18 indicates, market forces are the primary determinants in the efficiency and adequacy of service.

In any case there are a variety of safeguards to competition. First, the power now exercised by the Canadian Transport Commission to review mergers and acquisitions in light of the public interest will be continued in the National Transportation Agency. Second, the recently enacted Competition Act provides for review of any transaction which would substantially reduce competition. Third, under the proposed legislation new carriers can enter the market and existing carriers can add new routes much more easily. Finally, as they did in the early 1980s, many Canadians can cross the border to fly on U.S. airlines, perish the thought. In effect, additional competition exists across the border. For all these reasons I am confident that we can have the benefits of regulatory reform and healthy, efficient, and competitive air carriers at both the national and regional levels.

Turning to the trucking industry, I find from an independent, objective viewpoint that the fears being expressed about concentration of ownership are exaggerated. The Canadian Council of Motor Transport Administrators, on behalf of the federal and provincial Ministers responsible for transport, commissioned a study on the effects of the regulatory reforms being proposed. That study was received by the Ministers last October and was released in November.

The conclusion of the independent transportation experts who conducted the study was that some restructuring and consolidation of firms would continue as it had for a number of years, but that concentration would not reach undesirable levels among national carriers. The study also concluded that regional carriers would not be eliminated and that service to small communities would not suffer.

In respect of foreign ownership, I should like to point out that an airline will have to be at least 75 per cent Canadian owned in order to obtain an operating licence for domestic service. This requirement, for those Hon. Members who may wish to verify it, is contained in the definition of "Canadian" in Clause 67 of Bill C-18.

Mergers and acquisitions of Canadian transportation firms by foreigners are also subject to a number of review mechanisms, although those involving small firms are exempt. The Government is not prepared to subject each and every acquisition of a small firm to the bureaucratic burden, delay, and cost of a substantial review when the national interest cannot reasonably be at risk.

The safeguards which exist now and will remain in place include the following. First, under the Investment Canada Act, an acquisition by a foreigner of a Canadian company, including a transportation company, can be blocked if it is deemed not to be of benefit to Canada. Second, a foreign acquisition is subject to review under the National Transportation Act to determine whether it is in the public interest.

This provision of the existing Act is being broadened under Bill C-18. It now applies only to mergers and acquisitions between two transportation companies. In future, it would apply to the acquisition of a transportation firm by anyone, whether or not they are already in the transportation business. Foreign companies and domestic ones are subject to review without distinction.

Third, the recently enacted Competition Act provides for a review of mergers and acquisitions. They may be disallowed if they are found likely to reduce competition to a substantial degree. I understand that the Competition Tribunal has already turned down one proposed merger, although it was not in the transportation field.

With all the safeguards I have described, Canadians can rest assured that neither foreign ownership nor corporate concentration will be permitted to harm the public interest or to jeopardize competition in transportation services.

Under the proposed reforms of transportation regulation, the operation of market forces will bring the benefits of competition to all Canadians—producers and manufacturers, air travellers and consumers—in the form of better transportation services tailored to their needs and at more competitive prices.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, it gives me pleasure to take part in the debate on Bill C-18 this afternoon.

[*English*]

I listened very attentively to the remarks of the Hon. Member for Lachine (Mr. Layton) who spoke about the issue of foreign takeovers of transportation companies and about reviewing some of these takeovers. I remind him that under the new Investment Canada Act, foreign takeovers of $5 million or less will not be reviewed by anyone. In the transportation industry Canada has a vital interest to ensure that proper reviews of foreign takeovers in our transportation industry are carried out and are blocked when necessary.

I rise to speak in the debate this afternoon principally to talk about the issue of rail deregulation or deregulation of the transportation industry and what it could do to the constituency I represent.

Of course my riding, which is the most beautiful one in the country—

Mr. Turner (Ottawa—Carleton): As is mine.

Mr. Boudria: —is situated east of the City of Ottawa. I notice the Hon. Member for Ottawa—Carleton (Mr. Turner) is heckling at the present time. No doubt he will be interested in the issue which I intend to bring to your attention, Mr. Speaker, because his constituency and mine, as well as Stormont—Dundas and other ridings, are affected by the Ottawa to Montreal CN Rail line.