

Three such annual reviews are now in and they indicate that the economic regulatory reforms and objectives are being met. Let us look at the facts as reported by the agency.

First, there is no evidence of a reduction in safety. This was confirmed by the preliminary 1991 statistics from the Transportation Safety Board which, as compared to 1990, indicated a slight decrease in the railway accident rate, a decrease in the number of shipping accidents and no change in aircraft accident rates.

Generally, Canada's transportation accident safety record in the 1980s was good. The trend in accident rates in the air and rail modes has been downward. Moreover, the available data indicate that the introduction of economic regulatory reform in 1988 had no detrimental impact on the transportation accident rate. The rates have generally continued their downward trend.

Second, competition and market forces have kept real rate increases down. Let me highlight a few examples to illustrate this point. In the air mode there was an increase in the use of discount air fares. About two-thirds of passengers travel on discount fares on southern routes and there is a growing use of discount fares in the north. In the rail mode, freight rate increases have been lower than inflation. The level of competition has kept downward pressure on trucking rates. The market conditions have also kept freight rates of international liner shipping services in check.

Third, there has been a growth in the number of air and truck carriers. While some consolidation has occurred, competition still predominates. Moreover, in the rail mode we are witnessing the emergence and expansion of short-line railways.

Fourth, there have been major improvements in levels of services and increased competition. For example, in the air mode comprehensive national networks of the two major carrier groupings have resulted in widespread competition and increased services in terms of domestic city payers connected by direct and indirect flights.

Alternative services are being offered for the first time to many communities in Canada. In summary, travel options have been expanded with increased competition in price, service and quality.

### *Supply*

Finally, intermodal services are improving. Shippers report improvement in intermodal services for domestic and transborder traffic. Port container traffic reached its highest level ever in 1990, while railways and port terminal operators made a number of intermodal facility investments in 1990.

The facts are there to prove that our regulatory reform is successful. However, the government recognizes that not everything is rosy. The demand for transportation services is derived from the demand for goods and services in the economy in general. The reduction in economic activity world wide in the recent economic downturn has slowed transportation activity. Moreover, the air mode was doubly affected by last year's Persian Gulf crisis. All modes have been affected and the drop in transportation activity has affected the financial position of the carriers and of employment. The transportation industry is not immune to slower economic growth. The transportation sector is expected to improve, however, as economic recovery gathers momentum. We are seeing those trends already beginning.

On February 3 the Minister of Transport announced a comprehensive one-year review of federal transportation regulatory legislation. This review will complement other consultations that are under way in conjunction with the government's prosperity initiative. The review will provide valuable information on the transportation industry by identifying and assessing developments since economic regulatory reform was introduced in 1988. It will also highlight opportunities for improvements in domestic transportation.

As we move through the 90s, transportation will be as strategic as it was 125 years ago at Confederation. Transportation is a pillar of prosperity in Canadian competitiveness. Economic regulatory reform has been successful in bringing about a strong and vital transportation sector.

**Mr. Stan Keyes (Hamilton West):** Mr. Speaker, I want to congratulate the Parliamentary Secretary to the Minister of Transport for boldly stating what few other members in this House would probably state, in fact, what few Canadians would believe.