

Getting back to the general theme, the large charge that the member makes that this government has abandoned the industry, all Canadians recognize the importance of transportation to an economy like ours. It is the backbone of the way we have to make our living. Everything has to be moved huge distances in a place like Canada, with its large geography and small population.

Each day, 140,000 Canadians travel by one of the public intercity modes: air, bus or rail, and almost 2 million tonnes of freight are moved by rail, truck or water. Canadian producers and shippers operate in a global environment that is shaped by international competition. It is therefore essential for our economic well-being that we create and maintain an efficient, responsive, safe and productive transportation system and that the cost of transportation services are minimized for the users of that system.

Early in its mandate, this government did indeed recognize that a change in the economic regulatory framework in transportation was necessary if the transportation system was to be allowed to grow and to compete to meet the needs of shippers and the travelling public. Many of the regulations in place when we took office had become in fact obstacles to growth, innovation and competitiveness in Canadian transportation. Removing those obstacles while protecting and maintaining the safety for the public of Canada became a priority in our efforts to achieve economic renewal.

As part of this government's efforts to improve Canadian competitiveness, we undertook an extensive consultation process over a two-year period, which included parliamentary study and comment. The result was the introduction of a new economic regulatory regime for Canadian transportation on January 1, 1988.

The National Transportation Act, 1987 and the Motor Vehicle Transport Act, 1987 established a revised legislative framework for our transportation industry. This framework was based on the principle that competition and market forces are the best means for providing Canadians with efficient transportation at the lowest possible cost.

This legislation did not deregulate safety nor in any way diminish its importance. In fact, it emphasized the importance of safety by introducing it for the first time as

a basic principle of our national transportation policy statement.

Economic regulation of the transportation industry was reduced to a minimum or modified in the case of the railways to stimulate competitive conditions to the greatest extent possible. Many of the shackles which prevented our carriers from operating in the most efficient manner have been removed. In this more competitive environment, carriers are able to provide the best possible service at the best price and support economic growth in all sectors of the economy.

These were fundamental changes in our regulatory system, but I categorically deny the charges of the opposition that they were introduced without consideration of the consequences for our transportation industries.

Our government provided for annual reviews by the National Transportation Agency for a four-year period to monitor the effects of these changes. We also provided for a comprehensive review to assess the impact of these changes in the fifth year of operation, this year, 1992.

The introduction of such a comprehensive review process in legislation is unusual. However, the government recognized from the start that the regulatory reforms that were introduced needed to be followed closely. If adjustments proved to be necessary to meet our reform objectives the government was ready to make them.

Despite the focus of the last two days of debate, again not to diminish in any way whatsoever the tragedy that has occurred, it is important to put on the record the kinds of improvements in our air services in Canada that have occurred, since this government took action. Before these regulatory changes were introduced there were controls over entry, exit—

Mr. Milliken: The airlines made money.

Mr. Bosley: Yes, all airlines in North America made money. It is typical of the hon. member for Kingston and the Islands that he somehow wants to argue that because Air Canada lost money last year when every U.S. carrier in the last three years has lost on an equity basis more money than both of the Canadian carriers combined that somehow that is a consequence of regulatory reform. It is typical of the intellectual debate of the other side at