

Government of Canada to deregulate the industry, and they passed this resolution:

Whereas the importance of regional economic development has been agreed upon by all governments, we, the provincial premiers, call on the government of Canada to incorporate in the proposed new National Transportation Act, in addition to an objective of commercial viability, the following:

1) Transportation is recognized as a key to regional economic development—

That is in the Act, the recognition. They further state:

2) Commercial viability of transportation links must be balanced with regional economic development objectives in order that the potential economic strengths of each region may be realized.

It is that particular concern that has cast doubt on the effectiveness of Bill C-18 in the regions.

For example, I turn to the neighbour of northern Ontario, the Province of Manitoba, which has much in common with northern Ontario in terms of its economy, and its level of development.

In a speech, the Premier, Mr. Pawley, said "that the federal Government's proposals to deregulate the industry rely too much on competition". He further stated:

If changes are not made, they (the federal Government) will reduce the opportunity for economic growth and will accelerate the growing opportunity gap between the have and have-not provinces, since the have provinces will be the benefactors of a deregulated environment.

On many occasions in this House we have heard that there is a growing gap, because we are living in a period of restraint and Governments are looking for ways in which to reduce deficits. On many occasions it has been brought to the attention of Hon. Members that there is a gap between those who have and those who have not, and that that gap is growing. This is becoming a characteristic of our society.

Therefore, I do not think that Hon. Members will wish to support a Bill that will enlarge the gap between regions that are underserved, regions that are underdeveloped, and those regions that have already achieved a very high level of economic prosperity.

Surely the role of the House is to foster national unity. National unity means more than simply calling ourselves Canadians. It means sharing in all the benefits of this great country of ours.

**Hon. Bob Layton (Lachine):** Mr. Speaker, I wish to address the concerns expressed in this debate regarding concentration of ownership and foreign ownership, especially in the air mode. The charge has been made that the legislation before us will lead, not to greater competition and its many benefits, but to less competition and negative effects on price and service. It has also been alleged that this legislation will result in a massive sell-out to foreigners of our airlines and trucking firms. Such fears of dire consequences are not well founded. A number of carefully planned safeguards will ensure that Canadian consumers and air travellers receive the benefits of competition.

### *National Transportation Act, 1986*

The economic regulatory controls on airlines have already been relaxed as far as possible under the existing law. This has given us more competitive air fares, several new carriers, and better service. Among the new carriers at the regional level are Air Nova, Bras D'Or, and Air Atlantic. Other carriers such as City Express, Time Air, and Air B.C., have expanded their operations considerably.

The new existing regional carriers are providing more frequent service, at more convenient times to small communities across the country. Their service may not always be jet service, which has, in some instances, been replaced, but then jets are not cost-efficient and often no faster on short distance flights.

I would also remind the House that Canadian-made Dash-8s are being used for many of these new services. This means more jobs for Canadians in the aircraft industry.

The alliances being formed between some local carriers and national ones will produce better service for passengers. Flight schedules, baggage transfer, and other operations will be coordinated to minimize delays and inconvenience to the travelling public. Price competition continues throughout the system. Seat sales and discount prices based on advanced booking requirements are being offered, not just between major centres but on flights to and from many small communities. My colleagues have cited numerous examples. In other words, there is no evidence that alliances between national and regional carriers are harming competition in any way.

• (1610)

At the national level, as we all know, Pacific Western Airlines has arranged a deal to acquire Canadian Pacific Airlines. I will not comment specifically on this because the proposed acquisition is still under review by the Canadian Transport Commission to determine whether it is in the public interest. Critics of the new transportation policy in Bill C-18 seem strangely reluctant to acknowledge this safeguard in both the existing law and the new Bill.

Let us also acknowledge that Wardair is entering the long haul scheduled service market. In announcing his plans to spend over \$900 million on new aircraft, Max Ward has demonstrated his determination to compete head to head with established national carriers. I applaud this demonstration of entrepreneurial spirit. This is precisely what the Government's approach to regulatory reform is meant to achieve.

We should also remember our history. Not too many years ago—and you and I shared this history, Mr. Speaker—there was only one national carrier, Trans-Canada Airlines, which is known as Air Canada today, and a variety of regional carriers held to that role by the regulators. Even today Air Canada still has close to 50 per cent of passenger traffic.

Given the nature of our domestic air market, it is possible that the efficiencies necessary to give travellers the best service at the best price can be achieved only with a relatively small number of healthy competitive national carriers. Whatever the