

Perhaps the most notable provisions resulting from the meetings of the standing committee were those governing the regulations of northern air services.

In the year 1985-86 there were substantial losses reported. The Hon. Member's colleague, the former Minister of Transport, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), told the Standing Committee on Transport on May 10, 1984:

It is a sad fact that our regulated industry is in decline. The regulated system we set up to protect a fledgling industry is now clearly hindering progress. Airline losses topped \$100 million in 1982.

Would the Hon. Member not agree with his colleague that much of the blame for airline losses must be directed at the excessive amount of regulation burdening the industry and stifling its economic efficiency and growth? Would the Hon. Member also comment on the success of Wardair, a private company, which has made money?

[Translation]

Mr. Robichaud: Mr. Speaker, I thank my colleague for his question and comments. He asked me to comment on the profits of Wardair. I have nothing against a company making profits and I congratulate this company on the service it provides Canadians.

The Hon. Member also asked whether I do not find deregulation desirable. I did not say in my speech that it is not. We realized a few years ago that we would gradually have to go to some form of deregulation. I agree that it was absolutely necessary to make some adjustments to the National Transportation Act, but I do have some reservations when the Government wants to turn the whole industry upside down without giving it enough time to adjust.

That is all I wanted to say. Deregulation is desirable, but it should be gradual.

Ms. Copps: Mr. Speaker, I would like to ask the Hon. Member whether he could explain how the new Bill, in its present form, could affect Canadian National's decision to close down or at least to lay off a large number of its employees in Moncton. Perhaps he could also tell us whether the impact on the situation in Moncton could have both negative and positive aspects.

Mr. Robichaud: Mr. Speaker, I welcome this opportunity to answer my colleague's question. CN, as a Crown corporation, has more or less been given a mandate or instructions by the Minister of Transport (Mr. Crosbie) to prepare for privatization, which means that CN must make itself a profitable concern. And since time seems to be of the essence, they have to cut services which means less work for CN repair shops. And that is exactly what is happening in Moncton. In the rush to rationalize all their operations, they are cutting jobs—1,000 of them. If this Government had any concern at all for regional disparity, it would manage to keep the CN shops open. Mr. Speaker, I would like to compare this situation to the one at the Port of Churchill in Manitoba. According to the Ports

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Canada authorities, the port at Churchill was not viable, and they decided to shut down the facilities. However, the Minister of Transport intervened, saying that the port must continue its operations because it was one of the major industries in that part of the country. Wonderful! So if the Minister is so concerned about regional development, he should do the same for the people of New Brunswick.

● (1700)

[English]

Mr. David Kilgour (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is an honour to speak on Bill C-18 which I believe will rank as one of the most important measures passed by this Parliament. It provides a new deal to consumers of transportation services right across Canada, including, of course, my region, which is western Canada.

When we took office two years ago, we found a regulatory regime in the transportation sector that had largely lost touch with changes in our national economy. It was one that frequently frustrated rather than facilitated the efforts of producers across Canada to get their goods to market. While careful regulation is required to achieve important objectives, including regional development and safety, we believe, as indicated in our *Freedom to Move* paper, that more can be accomplished with less but smarter and better regulation.

After extensive consultation with the public, provincial Governments, the transportation industry, shippers and other interested parties, we have concluded that now is the time to act. Canadians need a revised transportation policy and legislative framework today.

The Acts which are before us today—the National Transportation Act and the Motor Vehicle Transport Act—provide that policy. They will provide for greater reliance on market forces, reduced government interference, and a regulatory process that is both open and accessible. They will promote competition which will result in improved prices and services for both travellers and shippers. They will streamline the remaining regulatory procedures and replace the Canadian Transport Commission with a new national transportation agency. In effect, we are freeing the Canadian economy from the shackles of an over-regulated transportation sector. Too much cement does not the efficient movement of people or goods make.

My comments will focus on the impact of the legislation on Canada's rail system, particularly in western Canada. Everyone in the West should benefit from these initiatives—the primary resource producers and individual employees of lumber mills, potash and coal-mines, and so on, who will have more secure jobs because their products will be moved to market more efficiently, and the railways themselves.

Under the present Railway Act, Canada's railways can set rates collectively. Competition has been stifled, particularly in my region where there is now little incentive to offer lower rail rates or different services to meet the varying needs of