

This had two important consequences. First, the railway companies developed major sectors and, second, the Government got involved in regulating their operations, obviously in the public interest because these companies had control over economic activities, and over the industry and the regions which depended on them.

[English]

The 1920s saw massive government expenditures in the field of transportation. The federal Government unified several financially-troubled railways into CN Rail, advanced massive funds for improved shipping, expanded other enterprises and provinces greatly expanded their network of highways.

This was also a period of legislation imposing public duties on railways. For example, the Crow grain rates were extended by law across the West and subsidies were begun for Maritime provinces transport.

[Translation]

About the middle of the century the monopoly of the railway companies began to weaken as a result of progress in the trucking industry, particularly with the advent of powerful diesel engines, road construction, competition from ships plying the new seaway between the Great Lakes and the St. Lawrence River, new pipelines carrying oil to regions where railway companies used to deliver coal, and the growth of airlines and bus companies transporting passengers who were once railway customers. From then on, shippers and travellers then had several options. They abandoned the train and turned increasingly to transport by truck, bus or even airplane when speed was of the essence, cost not a significant factor, and in the case of goods, the weight not too high.

● (1850)

Of course, what followed was to be expected. The railroads focussed on the sectors they found most profitable because of their very nature, such as the transport of heavy goods over long distances, while local interest services and passenger service were losing ground to other means of transport.

Unfortunately, the heavy regulation which had been necessary to control the monopolizing expansion of railway companies in their glory years was not relaxed soon enough to take into account the evolution of transport in this country. The Governments continued to regulate railway freight transport. The railroads had to interfinance their various services to continue to meet the commitments imposed on them in the name of national interest many years before, especially the transport at regulatory rates of grain and grain products for the export market, the maintenance of unprofitable passenger services, and the provision of local services which they could abandon only under very strict conditions.

These circumstances led to the creation of the MacPherson Royal Commission on Transport, which examined this issue from 1959 to 1962 and did some very useful work. I submit that the latest major reform of the National Transportation Act came as the result of a royal commission which took two

years to examine the issues involved. We of the Official Opposition are shocked to see how quickly the Conservative Government is imposing this measure which will fundamentally transform the whole transportation sector in Canada.

I would remind the House that the recommendations of the MacPherson Commission led to passage of the National Transportation Act in 1967, to the decision of the then Government to subsidize directly railway companies in compensation for some of the commitments imposed on them by the national interest, such as passenger service, and even, to a certain extent, to passage of the Western Grain Transportation Act in 1983 which set new tariffs for grain transport.

With the adoption of the National Transportation Act, the Canadian Government ceased to be actively involved in rate setting within a rather wide margin which existed between the minimum rate as set under section 276 of the Railway Act and the maximum rate set under section 278 of the same Act. The legislation thus allowed the railways to set their freight rates as they saw fit, after due consultation and agreement with their clients, of course. At the same time, the Act defined a procedure for the abandonment of local services and provided mechanisms to compensate railway companies which were not allowed to drop certain services.

The results of this legislative review were impressive. New specialized freight services were offered and Canadian railways became more and more competitive. In effect, Mr. Speaker, it is quite obvious that this National Transportation Act which was put in place by the Honourable Jack Pickersgill in 1967 has been a great asset for the Canadian economy over the last 20 years. The transport industry is not ailing. The Canadian rail, air, and sea transportation industry as well as the trucking industry provides a decent livelihood for vast numbers of workers throughout Canada.

Some changes are indeed required to accommodate a new situation. Some of the regulations of the National Transportation Act must of course be streamlined. But the Government is not trying to streamline or to accommodate. It is in fact literally trying to do a hatchet job and destroy everything we have now to start again from scratch and it is willing to do so in fact just to accommodate a request by the large Canadian carriers and shippers.

The bill before us is the Government's response to the pressing demands of large Canadian shippers. Although the provinces, most transportation companies and the public in general as well as workers in the field of transportation in particular, oppose this bill, the Government has decided to stick with it and go ahead in forcing this new transportation act upon Canadians in spite of all the objections that have been put forward.

People often say: If it works, why change it? And we should indeed be asking ourselves at this moment: why is the Government insisting to overhaul the National Transportation Act and jeopardize thousands of stable and well-paid jobs with transportation companies throughout Canada?