

Government Orders

when we compare Canadian legislation today with respect to their uniform commercial code and other pieces of legislation such as their security interest legislation that was passed so many years ago and we have just started to use in the last 10 years in some of the provinces of this country? Given the fact that they chose to have an economy that was vibrant and tuned into the business climate, we see that there is a difference between the economy of the United States and the economy of Canada.

• (1810)

That brings us to the legislation that is before the House today. It is one of those fundamental laws we have that shows that our economy has failed to compete. Bankruptcy legislation truly focuses what the laws are and were and what we are just starting to do.

Let us be realistic. Any mercantile legislation has two aspects as you approach and study it and eventually pass it. It provides protection for those within the system and it is important in any piece of legislation that it can and should provide the opportunity to create a climate for business venture. As we know today in the global economy, it should provide a climate that promotes the Canadian economy on an international basis.

When you consider this legislation as an aside and you think about what has happened in this House in the three short years that we have been here and your mind goes back to the trade deal that we first passed in 1988 in the very first sitting of this House, the word that kept coming through was harmonization. The success of trade depends on the harmonization in the United States and Canada. I am sure we will hear this as the trade deal with Mexico starts to take shape, not that we agree with it, but as we progress toward that.

The success of trade depends on harmonization of standards between our two countries. I want to broaden that because I am of the opinion that harmonization includes standards and in other areas includes the mercantile laws of the two countries. This fact in the negotiating process of dealing with the United States on a trade deal has been obviously overlooked by the government of the day to our detriment. We can see today the effects of this tragic oversight of not being able to harmonize the laws of our country to compete and make the Canadian businesses as competitive as the

American businesses. This has been one of the main factors why the trade deal is not working and why there is such a disparity in the amount of jobs that are being created.

Let me give an example of which I speak. It affects one of the very large industries in this country, it affects the airline industry in Canada. I am sure you will agree that the airline industry is not only fundamental to Canada's future, but it has been very important in the transportation policy of our country.

Some time ago, this government proposed an open skies policy for North America. In essence, the concept of open skies is that all of the airlines in the United States could fly into Canada and pick up passengers without the threat of cabotage. The two major airlines in Canada could fly into the United States and have a wide open competition for the U.S. market and for the Canadian market.

Through the transport committee at the time, we reviewed in great deal the concept of open skies and we travelled throughout Canada. We heard all kinds of submissions, brought it all back together and eventually submitted a report to the Minister of Transport for the House of Commons.

It was very interesting to note that on the very day that we submitted our report to the Minister of Transport on the open skies concept in Canada, Pan American Airlines in the United States filed for section 11 bankruptcy proceedings. This meant that airline, which was competing with Canadian airlines for Canadian traffic and for international traffic, filed for section 11 bankruptcy proceedings for unsecured credit and they put over \$7 billion of unsecured credit aside so that it could be restructured and they could continue to operate. Pan American Airlines, from that day to today, has not missed a flight even though there is \$7 billion of unsecured debt that is before the courts and in the process of being restructured.

During this same process, and staying with the airline industry, Eastern Airlines about two years prior to that had filed for section 11 bankruptcy protection. You know that at Ottawa airport, Eastern Airlines had a terminal and for two years competed with Canadian Airlines, Air Canada and other carriers. It also competed with Inter Air, the flight that was going between Toronto and Montreal and is no longer in business because it could not afford to pay its bills, as I understand it. I should check the authenticity of that statement as I do not wish to be misled. But I do not think Inter Air is in business any