

*National Transportation Act, 1986*

get Frontier Airlines which flew to Saskatoon, Regina, North Dakota, Denver, and so on. That lasted 14 months. Frontier Airlines is now belly-up. It is bankrupt.

We see this chamber of commerce syndrome, champagne ideas in a beer market. Mark my words, all these little jerkwater airlines will end up merged, taken over or entering into an operating agreement with one of the majors. The result will be that air fares will not be reduced. The going rate will have to be paid, something which has taken place in cities the size of London and cities even bigger than London in the great U.S. of A.

• (1840)

**Mr. Reid:** Mr. Speaker, I have heard the Hon. Member for Regina West (Mr. Benjamin) point out that the transportation system is a good, safe system. Can the Hon. Member produce any evidence with respect to differences in attention given to safety between the publicly-owned Air Canada and the private sector operation of Canadian Airlines International? Since 1983 or 1984, whenever deregulation in the air industry commenced, has there been any diminution of the airlines' concern for safety? Is the Hon. Member's concern with respect to the majors in the industry? Or is he saying that the smaller airlines are less conscious about safety? Why does the Hon. Member respond with such concern when there is a rationalization or consolidation of the airlines industries under major carriers which have as an obvious concern the safety of their passengers?

**Mr. Benjamin:** Mr. Speaker, I was not complaining about being down to two airlines. That is about all that Canada can handle. I was not complaining about that. I was just pointing out how that occurrence came about under the aegis of the so-called deregulation which threw the doors wide open to free enterprising market forces. It is inevitable to see either bankruptcies or mergers in such cases. It is one or the other. There cannot be too many fellows trying to warm the same spot on the bench.

When it comes to safety procedures, Air Canada has received an international medal for safety three years out of the last six or seven. It is one of the most efficient and safe airlines in the world. We rank in the top 10 airlines in the world. It still remains that way.

The same thing applied to Canadian Pacific and Pacific Western. Rate setting, exit and entry requires cutting costs to the bone, as any good corporate manager will do. It is inevitable. It has been shown and proven many times. The Arrow Airlines accident was a deregulation accident. The Florida Air airplane which hit the bridge in Washington was a deregulation accident. Because there are not very many accidents that is no reason to sit around all self-satisfied and say: "Well, we have not had any accidents lately". What are Members opposite doing? Begging for one?

The operations of an airline and the amount of money it needs for capital investment and so on will perhaps be reduced

when put into deregulated regimes. They have to cut corners, and they will cut them.

I do not believe for one minute that Air Canada or Canadian Airlines International will cut corners on safety. I do not believe it. I do not think they will. But they will cut a great many other things. They will reduce the number of places they serve. The ones I worry about are the ones that are called the Schedule 3 or Schedule 4 operators which do not have the wherewithal to carry on a safety and maintenance regime, something which a big airline can do.

**Mr. Deputy Speaker:** I would remind the House that the period for questions and comments is over.

**Mr. Reid:** Mr. Speaker, I rise on a point of order. When the Hon. Member quotes the differences between the United States and Canada, is he in a position to point out figures to back up his statement as to air carrier fatalities in the United States versus air carrier fatalities in Canada?

**Mr. Deputy Speaker:** To conclude the intervention of the Hon. Member for Regina West (Mr. Benjamin), would Hon. Members consider allowing the Hon. Member to have one minute in which to complete his remarks? We will then proceed to the speech of the Hon. Member for Papineau (Mr. Ouellet).

**Mr. Benjamin:** Mr. Speaker, I only wish that I could join with the Hon. Member for Papineau in his unlimited time. If I had that I would be glad to read a whole book to the Hon. Member for St. Catharines (Mr. Reid). I would be glad to recite all these statistics to the Hon. Member. Much of this information he received from witnesses and in submissions given to the Transport Committee, something which he and his colleagues chose to ignore.

[Translation]

**Hon. André Ouellet (Papineau):** Mr. Speaker, I welcome the opportunity to speak at this point in the debate on third reading of Bill C-18. Bill C-18, an Act respecting National Transportation, has been the subject of comments and debate and has aroused the attention of the public in general far more than many other Bills.

At this stage, I think it would be interesting to go back in time to provide a brief historic overview and see how we got to where we are today, when we are debating the last stage of a Bill that will most certainly cause disruptions in Canada's transportation industry. In my view, there will be a disastrous impact on safety and on several sectors of our economy. The transport sector and our regulatory system have helped to strengthen the unity of this country since Confederation.

Except for coastal regions and the centre of the country, where maritime transport was possible, railway companies at the time had a nearly exclusive monopoly on freight and passenger transport, except perhaps over what can be considered short distances.