

National Transportation Act, 1986

Concerns have been raised that the legislation provides non-reciprocal access and advantage to U.S. railways in Canada, thereby betraying our independence and, as yelled by the Opposition regularly, a sell-out of our nation. This legislation is not designed to provide U.S. carriers access to Canadian markets but, rather, to resolve the all-pervasive transportation dilemma that has faced Canadian captive shippers for years. This legislation provides these shippers with a choice of competitive routings for the first time. Those shippers need competition to get the best service at the best price. They need that service and price to meet the rigours of international competition. Business people across Canada have told us that they want to finally throw off the burden of being captive to one railway. The core of this issue is that new regulatory provisions will allow competitive forces to be introduced into captive markets. There will be competition where there was none before.

An equitable balance in negotiating rates will be introduced between captive shippers and carriers, something that is absent from the present National Transportation Act. Canadian railways will be forced to compete for the first time for the traffic of captive shippers. I believe they are fully capable of meeting this challenge.

In addition, the Bill contains specific provisions to protect against diversion of Canadian traffic where there exists competitive domestic routes. As far as the lack of access by Canadian railways to U.S. markets goes, nothing could be further from the truth. We still tend to perceive CN and CP as purely Canadian railroads. Because of this their activity in the United States is usually overlooked. In 1984 the combined operations of CN and CP's U.S. subsidiaries would have ranked as the seventh-largest U.S. railroad.

These operations provide Canadian railways with wide access to U.S. markets. Joint traffic agreements with other U.S. railways extend this capability from coast to coast. Both Canadian railways have demonstrated the ability to compete effectively in highly competitive U.S. transportation markets. There is no reason why CN and CP cannot compete just as effectively for Canadian traffic and thereby retain existing market share and possibly regain market share that has been lost in the past.

Another area that I want to address myself to quickly involves the aspect of air service and air service levels. For two years Canadians have received some of the benefits of regulatory reform of air transport implemented on a makeshift basis. Now the Government is placing the freedom to compete in air services on a permanent footing. Opponents of these reforms say that our smaller communities will be cut off from essential services because of the new legislation. That is plain old scare tactics, for which they have become well known.

● (1420)

What is happening in advance of legislation is that air services are balancing out as new opportunities present themselves in different regions. For example, in Atlantic

Canada in my City of Moncton, there is now a greater system of air service than there has been at any time in the past. There has been the entrance of two or three new airlines into the market, which are providing improved service to people who at one time were discouraged, particularly in their attempt to go east from Moncton by air. There is a now a renewed faith in these companies and the service that they are providing, and a larger number of people are now using the air services offered by the old air carriers, as well as the new companies that have become involved.

In western Canada when Canadian Pacific Airlines, Air Canada, and Pacific Western reduced or withdrew their jet services in the Vancouver-Victoria market, Air B.C., Time Air, and others, introduced new or increased turbo-prop services into this market. In August, 1983 the market was served by four jet carriers which provided nine jet flights a day, as well as five non-jet flights. Within two years this has increased to seven carriers offering 63 flights daily in that area. The flying time between Vancouver and Victoria by jet was 28 minutes. Today it takes 25 minutes in the Canadian-made de Havilland Dash-8. Realistically, the longer the flight distance between destinations, the faster a jet will cover the distance. A difference of five or ten minutes additional flying time will not turn people away from flying, especially if departure times and connections are more convenient and available to jet services in distant destinations.

In the far north air service is absolutely essential to many communities. In many cases the economics of providing needed services are fragile. Northern air service is a special case for economic regulatory reform, and the NTA addresses itself to that issue.

Over-all the NTA is a balanced package to provide better and more efficient transportation services throughout Canada.

[Translation]

Mr. Ouellet: Mr. Speaker, I have a question for the Hon. Member who has just expressed his views on the Bill, a Member who sits on the Standing Committee on Transport and who, with his colleagues, studied the draft paper tabled by the former Minister of Transport and entitled *Freedom to Move*. He knows full well that practically all witnesses who appeared at the public hearings of this parliamentary committee were opposed to the Conservative Government's far-reaching deregulation project, and I fail to understand how the Hon. Member can possibly claim in a terse statement that the National Transportation Act introduced by the present Minister of Transport (Mr. Crosbie) will solve the problem of air transport in the remote regions of the country.

For starters, he would know that the parliamentary committee Members did not travel to the remote regions of the country, therefore they did not gather on the spot the many representations which might have been made to Hon. Members. We did get these representations through the mail and they are against the Bill as drafted. Government decisions with respect to deregulation in Canada's frontier regions will